ANNUAL REPORT

ØRESUNDSBRO KONSORTIET I/S 2017

ØRESUNDSBRON®

Øresundsbro Konsortiet

Øresundsbro Konsortiet I/S is a Danish-Swedish company with no subsidiaries, jointly owned by A/S Øresund and Svensk-Danska Broförbindelsen SVEDAB AB. A/S Øresund is 100% owned by Sund & Bælt Holding A/S, which is owned by the Danish state. SVEDAB AB is owned by the Swedish state. The owners are jointly and severally liable for Øresundsbro Konsortiet's liabilities.

Øresundsbro Konsortiet's ownership and objectives are set out in the Danish-Swedish Government agreement of 1991 and in the Consortium Agreement between SVEDAB AB and A/S Øresund, which has been approved by both countries.

Our responsibility
Our responsibility is to own and operate the Øresund Bridge. Loans for the bridge and the landworks will be repaid from revenues from the bridge. Most of the revenue originates from road traffic. Revenue from rail traffic is unaffected by traffic volume, but is adjusted on an annual basis in line with price developments.

Our most important task is to continue to ensure a long-term, commercially sound business based on increasing revenue from road traffic and supported by cost effective operations, maintenance, marketing and financing.

We seek to promote the positive development of all traffic across the bridge. The motorway and the railway are the means for driving the integration of the region that both we and our owners wish for.

Our vision and business concept
Our vision is a dynamic Øresund region, where every car owner has a BroPas.

Our business concept is for the Øresund Bridge to be the best way to benefit from the experiences and opportunities that are available on the other side of Øresund.

Annual Report 2017

The Board of Directors and the Management Board of Øresundsbro Konsortiet hereby present the Annual Report for the financial year 2017.

The Annual Report has been prepared in accordance with the Consortium Agreement, International Financial Reporting Standards as adopted by the EU and additional Danish and Swedish disclosure requirements for annual reports of listed companies (reporting class D). The Consortium has no subsidiaries.

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Our efforts to increase the number of journeys pay off

2017 was a particularly successful year for the Øresund Bridge. Some 20,631 vehicles now cross the bridge every day, an increase of 1.7 per cent compared to 2016. Profits totalled DKK 1,070 million before value adjustment, a rise of DKK 50 million compared to 2016.

The development is owing to our commitment to stimulate traffic. Advantageous contracts are available for our three customer segments - business, leisure and commuters. Customers with the BroPas leisure contract can cross the bridge at half price, and in order to stimulate traffic during the winter season we have a special short trip discount in the evenings and at weekends. Moreover, we offer more than just a trip across the bridge. We want to provide inspiration for places to visit. In collaboration with our partners on both sides of the Øresund waterway, we offer our customers good deals on excursions and events on the 'other side'. The response shows that our customers appreciate what we have to offer.

Øresundsbro Konsortiet continues to operate and maintain a bridge that should be sustainable and cost effective. We reduce energy and operating costs and invest in modern technology in order that we can constantly enhance our safety standards and accessibility. In 2017, we built a new portal at the toll system, which has paved the way for new payment solutions. In 2018 it will be possible to pay via a vehicle's licence plate instead of the bizz
In the world in which we operate, discussions about new infrastructure are held on a regular basis. Now and again mention is made of congestion on the bridge. Our own prognosis, shared by others, shows that congestion will affect rail traffic long before road traffic, and then only on land rather than on the bridge itself. We welcome discussions to find solutions so that travel and integration can continue to develop. The transport sector is an important aspect of the long-term climate goals and should contribute to a comprehensive reduction of emissions by 2030. By improving the utilisation of, for example, freight traffic on the existing infrastructure, our bridge contributes to the achievement of our objectives.
The border controls, which made train journeys across the bridge difficult, were eased in 2017. This means that some commuters have returned to taking the train across the bridge instead of driving themselves. The bridge should be easy to cross – both by car and by train – and we welcome the improvements for rail travellers. This is the way to promote integration, which in the long-term, means that everyone benefits.

In 2018, the Consortium will begin to pay dividend to the owner companies, which means that they can begin to pay off the loans that financed the construction of the landworks.

The company's aim for 2018 is to continue to improve earnings by focusing on increasing freight and leisure traffic, attracting more contract customers and increasing travel frequency for existing customers. We will also target efficiency and cost control.

Bo Lundgren
Chairman

Caroline Ullman-Hammer
CEO

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Five-year review

DKK million (unless otherwise stated)	2017	2016	2015	2014	2013
Traffic					
Number of vehicles per day (average)	20,631	20,284	19,308	18,964	18,337
Number of contract customers 31/12 (rounded)	497,000	446,000	411,000	376,000	343,000
Average price for passenger cars (DKK incl. VAT)	201	196	195	189	185
Traffic volume, railway (in millions of passengers)	11.4	11.1	11.8	11.3	11.4
Results					
Net turnover	1,928	1,866	1,797	1,722	1,660
Operating profit	1,389	1,306	1,226	1,167	1,099
Net financing expenses	-319	-287	-327	-384	-502
Annual profit before value adjustments	1,070	1,020	899	783	597
Value adjustment of financial income and expenses, net	398	-211	235	-671	1,482
Profit for the year	1,468	809	1,134	112	2,078
Balance sheet					
Balance sheet total	16,912	17,341	17,256	17,856	17,659
Road and rail facility	15,226	15,407	15,610	15,822	16,006
Other fixed assets	52	56	72	93	111
Investments in property, plant and equipment	92	65	59	74	55
Equity	1,519	51	-758	-1,892	-2,004
Bond loans and debt to credit institutions	12,919	14,330	15,095	16,605	17,684
Interest-bearing net debt (excl. value adjustment)[1)]	12,144	13,391	14,692	15,439	16,600
Financial ratios					
Real rate before change in fair value	1.4	1.7	1.7	1.8	2.2
Earnings before depreciation and financial income and expenses (EBITDA) in percentage of net turnover	86.3	85.0	83.5	83.5	82.5
Earnings after depreciation but before financial income and expenses (EBIT) in percentage of net turnover	72.0	70.0	68.2	67.8	66.2
Interest coverage	5.22	5.53	4.59	3.74	2.73
Return on assets ratio	8.1	7.4	6.9	6.4	6.1
Return on road and rail links, ratio	9.0	8.3	7.6	7.2	6.7
Employees					
Number of employees at the end of the period	153	162	168	175	180
Of whom female	77	80	87	89	91
Of whom male	76	82	81	86	89
Percentage of females of Board of Directors[2)]	13	25	38	38	38
Percentage of females at other management levels[2)]	42	42	42	40	40
Percentage of absenteeism due to illness	4.5	5.1	6.0	4.4	4.8

1) The interest-bearing net debt comprises financial assets and liabilities recognised at cost. Interest, which is included in other current assets, i.e. trade payables and other payables, is not included.

2) Members of the Board of Directors are nominated by the owner companies according to the Consortium agreement. The aim is to increase the under-represented gender at Board of Directors level from 1/8 to 2/8 before 2022. There is no under-representation of one gender in other management levels, which is why we have not accounted for the policy pursuant to the Financial Statements Act § 99b.

Øresund Bridge in brief

We will repay the loans that financed the bridge with revenues from the commercial business.

The responsibility of the Consortium is to own and operate the Øresund Bridge. The bridge is not financed by tax payers, but by its users. The bridge contributes to stimulate growth in the region by integrating the labour and housing markets across Øresund, shortening journey times and making it attractive for company start-ups.

What matters is to ensure a continued long-term and commercially sound business based on increased revenue from road traffic, underpinned by cost efficient marketing, operation, maintenance and financing. We strive for positive traffic development across the bridge – both on the motorway and on the railway.

The Øresund Bridge should provide the best way to experience the diversity of opportunities on the other side of Øresund, which is why we offer attractive contracts that make it simple and easy to cross the bridge.

Discounts are available through BroPas. Commuters, business and leisure travellers all have BroPas contracts customised to their respective segments. BroPas customers receive ideas and offers for excursions and activities from our partners on both sides of Øresund. Our vision is a dynamic Øresund region, where every car owner has a BroPas.

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Review of 2017

- Traffic rose by 1.7 per cent, which corresponds to 347 vehicles per day;
- Total revenue rose by DKK 62 million;
- Profit (before value adjustments) totals DKK 1,070 million, which is an increase of DKK 50 million compared to 2016;
- Interest expenses increased by DKK 32 million
- Despite the increase in traffic volume, operating expenses decreased. Among other things, this is due to digitalisation and investment in new technology;
- Debt is expected to could be repaid in 2033;
- Several records were set in July;
- We celebrated vehicle number 100,000,000 across the bridge;
- Two types of warbler (the willow warbler and the icterine warbler) have now established themselves on Peberholm, which was announced at the annual media gathering in June. There are now 30 species breeding on the island;
- The toll station has a new portal with technology that has paved the way for new payment solutions.
- No events of significance occurred after the end of the financial year.

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Profits up by DKK 50 million

The advance is due to increased revenue and lower operating and interest expenses

In 2017, revenue from road traffic on the Øresund Bridge rose to DKK 1,405 million: a rise of DKK 59 million compared to 2016.

Revenue from the railway is index-linked and rose by DKK 5 million to DKK 502 million.

Operating expenses decreased by DKK 13 million to DKK 262 million.

Operating profit showed an increase of DKK 83 million to DKK 1,389 million.

Net financing expenses rose by DKK 32 million to DKK 319 million.

Overall, this produced a positive result for 2017 of DKK 1,070 million before value adjustment*. This is a rise of DKK 50 million compared to 2016.

The value adjustment* comprises a fair value effect of DKK 367 million and a foreign exchange effect of DKK 31 million. After value adjustment, profits for the year totalled DKK 1,468 million.

The interest-bearing net debt (excl. value adjustment) declined by DKK 1,247 million to DKK 12,144 million.

The Board of Directors recommends to the Annual General Meeting that a dividend of DKK 1,070 million be paid, corresponding to the profit before value adjustment.

Financial highlights 2013-2017

	2017	2016	2015	2014	2013
Net turnover	1,928	1,866	1,797	1,722	1,660
Operating profit	1,389	1,306	1,226	1,167	1,099
Net financing expenses	-319	-287	-327	-384	-502
Profit before value adjustment*	**1,070**	**1,020**	**899**	**783**	**597**
Value adjustment, net*	398	-211	235	-671	1,481
Profit for the year	**1,468**	**809**	**1,134**	**112**	**2,078**
Interest-bearing net debt excl. value adjustment 31/12	12,144	13,391	14,692	15,439	16,600
Interest-bearing net debt (market value) 31/12	13,811	15,451	16,383	17,621	18,041

* Value adjustment is a consequence of financial assets and liabilities being determined at their fair value on an ongoing basis. Value adjustments are disclosed in the accounts under Financial Income and Expenses. However, the part of the value adjustment that can be ascribed to changes to interest rates has no effect on the company's ability to repay its debts as the debt is redeemable at par.

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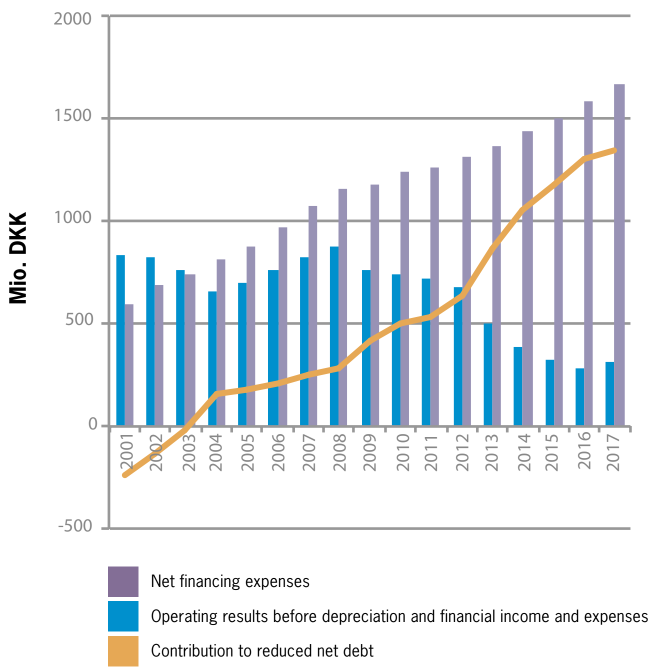
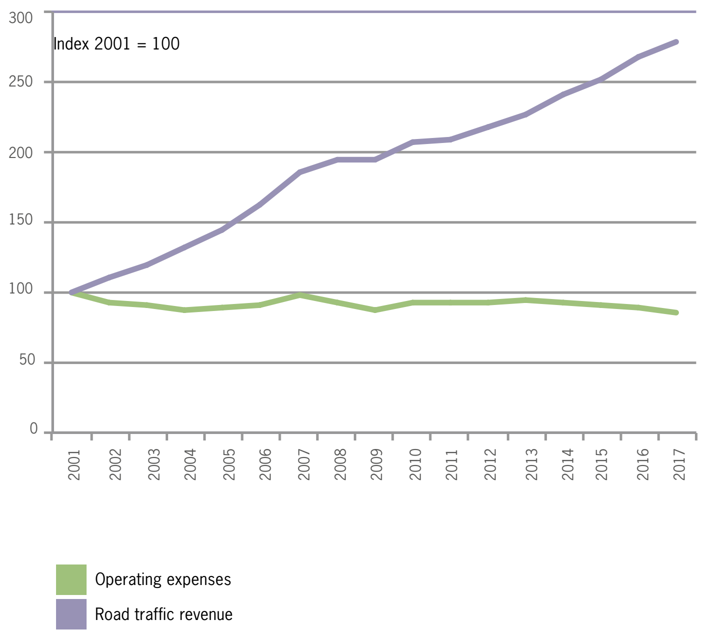
The development in the company's economy is illustrated in the chart below, which shows the development in operating profit in relation to net financing expenses and road traffic revenues compared to operating expenses.

Operating profit less net financing expenses 2001-2017



Road traffic revenue and operating expenses 2001-2017



Road traffic sets record

Overall, more people are opting to drive across Øresund, and in July several records were broken

The number of vehicles crossing the Øresund Bridge per day now stands at 20,631. This is a rise of 1.7 per cent compared to 2016. Border controls continue to have an impact. As it becomes easier to travel by train again after rail travellers were hit by the challenges that followed Sweden's heightened border controls in 2015 and 2016, we are seeing that some commuters are starting to take the train again. Business traffic fell slightly as train journeys have started to become easier whereas taxis and bus journeys previously rose as a consequence of the controls.

July, the busiest month for the bridge, set a new record for the number of vehicles per month (847,100) and the number of vehicles per day (32,000).

Leisure traffic increased by 5.6 per cent. That this category is increasing is related to the economic and currency differences between the countries.

Our marketing has also played a part in terms of the offers and ideas we send out to our BroPas customers. Cash customers, who convert their cash ticket into a BroPas contract, have also contributed to the increase.

Commuting has seen a slight downturn compared to 2016 since many rail passengers travelled by road due to the challenges caused by the border controls. In 2017, rail journeys improved and some customers opted to return to the train.

Lorry traffic increased. Bus/coach and taxi traffic fell slightly because employers stopped transporting their staff across the bridge in buses following the introduction of border controls, which made rail travel difficult.

The Øresund Bridge now accounts for 84 per cent of passenger car traffic and 53 per cent of lorry traffic across Øresund.

Road traffic development 2017

	Traffic per day 2017	Traffic per day 2016	Development (number)	Development (per cent)	Market share 2017** per cent	Market share 2016 per cent	Development market share percentage points
Cash	3,670	3,691	-21	-0.6			
BroPas Leisure	6,349	6,013	336	5.6			
BroPas Commuters	5,970	6,067	-97	-1.6			
BroPas Business	3,176	3,101	75	2.4			
Passengers total*	19,165	18,872	293	1.6	84.0	83.3	0.7
Lorries	1,332	1,268	64	5.1	53.1	53.1	0.0
Coaches/buses	134	144	10	-6.8	72.9	72.1	0.8
Total	**20,631**	**20,283**	**347**	**1.7**	**80.9**	**80.3**	**0.6**

* The category also includes passenger cars with a trailer as well as vans and motorcycles
** Applies to the period 1October 2016 to 30 September 2017, the most recent period for which actual data is available

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Few accidents – but one major incident

A multiple pile-up in February was the most serious traffic accident on the bridge to date.

During the year under review, there were no (2016: no) accidents on the railway and no (2016: no) accidents at work resulting in absenteeism and 10 with no absenteeism.

There were nine (2016: seven) traffic accidents on the motorway. The most serious took place on 15 February with a multiple pile-up involving morning traffic heading for Sweden. This was probably caused by poor visibility due to low-lying sun. The emergency services reported that 14 people were admitted to hospital. Based on the number of injured people, this is the most serious traffic accident on the bridge to date. No mortalities have occurred on the bridge so far.

In 2017, the bridge had to close five (2016: nine) times because of traffic accidents, three times for technical reasons, three times because of weather and once for another reason. In total, the bridge was closed for 14 (2016: 14) hours because of these incidents. The longest closure was in connection with the accident on 15 February and lasted two hours and 12 minutes.

The railway system is very reliable. During the year, there were three (2016: 11) technical failures, which impacted rail traffic.

Maintenance and technology for the future

We focus on technology and maintenance in order to improve accessibility and safety, with initiatives aimed at sustainable development

The bridge should be safe and accessible for our customers. Every time we implement new technology on the bridge, we also endeavour to find as cost efficient and environmentally sustainable solutions as possible. Our aim is to create the best pre-conditions for the next generation who will own and operate the bridge.

The Øresund Bridge's reinvestment plan extends to 2055. The plan sets out when the various parts of the link reach their technical life-span and need to be replaced.

In 2017, investments in new technology generated significant cost and energy savings. We replaced dynamic traffic signs and reduced the number of signs. We also replaced and reduced the number of CCTV cameras. This has resulted in reduced investment and maintenance costs and lower energy consumption. All mercury lamps on the link were replaced with LED lamps. The switch was necessary because mercury lamps are banned, but we have also reduced our energy consumption at the same time.

The toll station has now been equipped with a new portal, which paves the way for new payment solutions, e.g. licence plate recognition. Classification technology is improving and the new portal offers our customers better service and an easier passage.

In 2018, we will be involved in projects that will climate-proof the structure by protecting it against flooding. We will continue our efforts to improve mobile coverage on the link and upgrade the emergency signs in the tunnel.

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No congestion on the bridge

Problems will occur on land long before they occur on the bridge.

Capacity across Øresund is an important issue for society at large. The Øresund Bridge is the most important access route to and from Sweden – for motor vehicles, passenger and freight trains. Ever since the Øresund Bridge opened in 2000, there have been discussions about how long it will be before capacity is affected and when congestion will occur on the motorway and on the railway.
The reports compiled by researchers and the authorities, including the press releases published by the Swedish Transport Administration and Sweden's National Negotiation on Housing and Infrastructure in the winter of 2017, show the same calculations as that of the Consortium: capacity on the bridge's motorway will not be a problem in the foreseeable future. The Consortium recently prepared a forecast that looks ahead to 2040. In it the annual traffic increase is calculated at 2 to 2.5 per cent on the motorway. Even accounting for the impact of the Fehmarnbelt link, there will be ample capacity on the bridge for the period covered in the forecast.

No capacity problems are forecast for the railway either. The Consortium prepared the latest forecast in 2015, which also includes the railway. Approximately 25 freight trains currently operate across the bridge per day. By 2035, it is estimated that there will be 39 freight trains per day. The bridge's capacity is about 89 freight trains per day without this adversely affecting passenger trains.

The Consortium has established that congestion problems will occur on land before they occur on the bridge, primarily around Copenhagen Airport in Kastrup. An expansion that divides freight and passenger traffic will be necessary.

Social responsibility and sustainable development

The environment, people and social responsibility are the main areas of our CSR work.

The Øresund Bridge runs a company that creates value for the business community and for society as a whole. We are committed to demonstrating Corporate Social Responsibility and to contributing to social, economic and environmental sustainability by:

- Strengthening integration and trade in the Øresund region;
- Ensuring an accessible, well-functioning and safe link between Denmark and Sweden;
- Providing good working conditions with opportunities for development, respect for diversity, prioritisation of gender equality and focus on health and well-being;
- Ensuring stable economic development where positive and increased profits lead to full repayment of the construction costs;
- Prioritising a healthy and safe working environment, which ensures that no-one working on the facility or in the administration suffers physical or psychological harm;
- Protecting the surrounding environment, minimising the environmental impact from our activities and contributing to the biological diversity on and around the link.

Øresundsbro Konsortiet publishes a CSR report – Report on Corporate Social Responsibility and Sustainable Development – which is published separately. As regards the Danish statutory statement on Corporate Social Responsibility pursuant to Section 99a of the Danish Financial Statements Act, please refer to this report. The report was referred to the auditor along with the Annual Report.

The report is available from the Øresund Bridge's website at www.oresundsbron.com/samfundsansvar

Previous reports can be found here:
www.oresundsbron.com/da/info/document

Outlook for 2018

Economic and financial developments in 2018, and thus the Consortium's outlook for the year's financial results, are subject to some uncertainty. Based on the forecast for the Danish and Swedish economy and traffic development in 2017, it is estimated that traffic will continue its positive development in 2018. The exchange rate of the Swedish krona will affect both revenue and expenses. Short term interest rates are expected to remain low while long-term interest rates are expected to increase slightly compared to 2017 levels.

A profit before value adjustment of approximately DKK 1.1 billion is forecast in the budget for 2018. The budget is based on an exchange rate for DKK/SEK of 0.78

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Slightly rising interest expenses

Øresundsbro Konsortiet's financial management is conducted within the framework set by the company's Board of Directors and the guidelines laid down by the guarantors, i.e. Denmark's Ministry of Finance and the Swedish National Debt Office, Riksgäldskontoret. The Board of Directors determines general financial policy as well as the annual financial strategy, which regulates borrowing and sets the limits for the company's foreign exchange and interest rate exposure.

The overall objective of the company's financial management is to maintain financing expenses at the lowest possible level over the lifetime of the Øresund Bridge, allowing for acceptable risk as well as risk approved by the Board of Directors. Although the Consortium operates under the same financial risks as other companies, the nature of the project means that it has a very long time frame. Financing expenses and financial risks, therefore, are assessed from a long-term perspective, while short-term performance changes carry less weight.

All loans and other financial instruments used by the Consortium are guaranteed jointly and severally by the Danish and Swedish states. Because of this guarantee, the Consortium can achieve loan terms on international capital markets that can be compared with the countries' own borrowing.

The Øresund Bridge's borrowing requirement varies from year to year, particularly in line with the need for refinancing of existing debt maturing in that year. At the beginning of 2017, the expected borrowing requirement was estimated at DKK 1.0 billion, however it did not prove necessary to take up the whole amount. In consequence, the year's borrowing was just under DKK 500 million and was covered through a transaction of SEK 600 million. In 2018, the borrowing requirement is expected to increase to approximately DKK 3.5 billion – primarily due to somewhat higher refinancings than in the last couple of years. The 2018 debt liabilities are expected to be reduced by approximately DKK 230 million net.

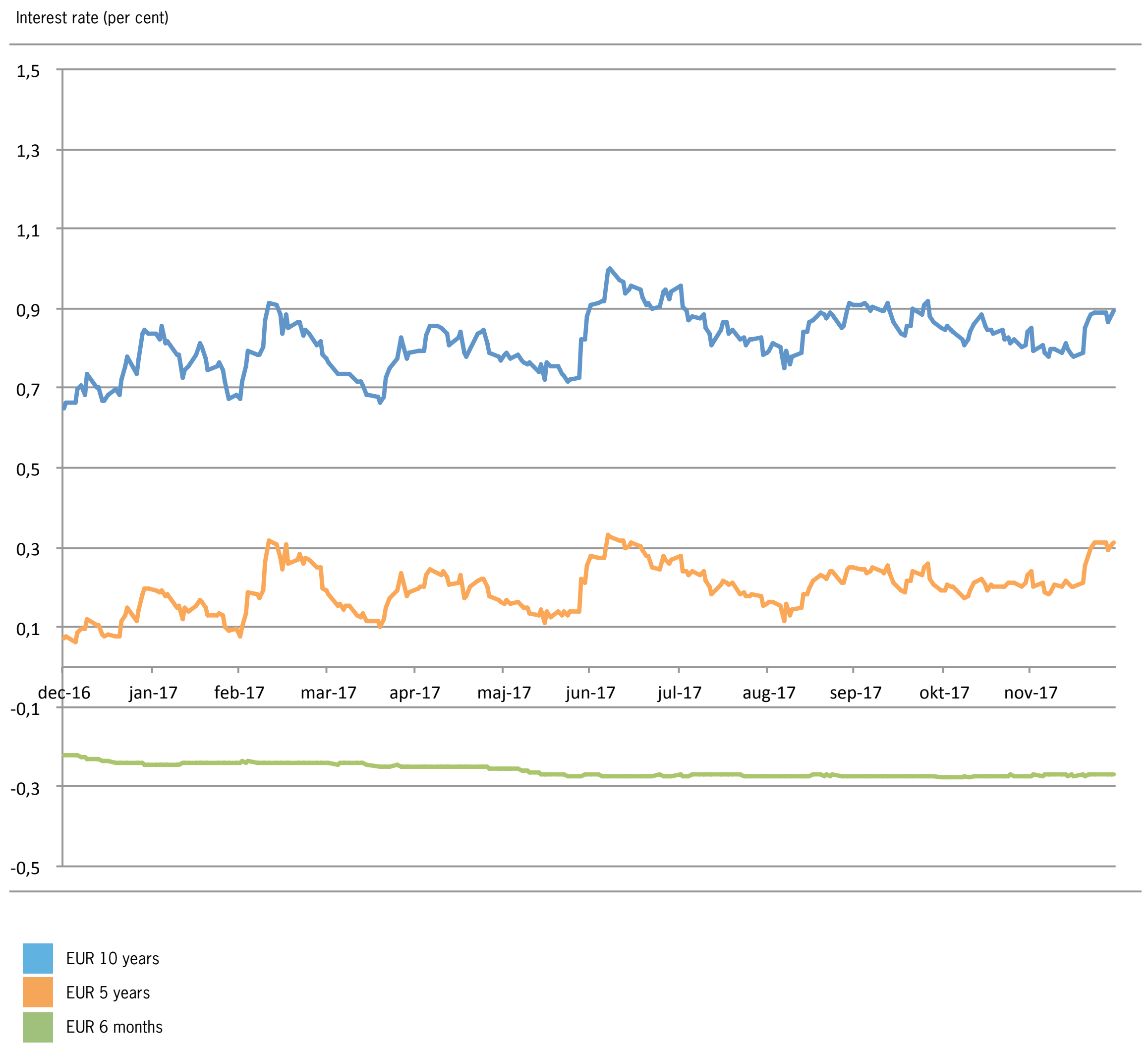
The Consortium's financing expenses are set out in the table below. Generally, actual interest expenses in 2017 were approximately DKK 32 million higher than actual interest expenses in 2016 and slightly higher than the budget for 2017. Actual inflation in both Sweden and Denmark was higher than in 2016, which subsequently impacted the company's real rate debt. However, variable interest rates remain extremely low, which impacted positively on the company's variable rate debt.

Financial highlights, end 2017

	DKK million	Annual percentage return
Borrowing 2017	458	
Gross debt (fair value)	14,793	
Net debt (fair value)	13,811	
Net financing expenses	319	2.50
Value adjustment, fair value effect, net	-367	-2.88
Value adjustment, foreign exchange effect net	-31	-0.24
Financing expenses, total	-79	-0.62
Real rate 2017 (before value adjustment)		1.40
Real rate 1994–2017 (before value adjustment)		1.80

Note: : The real rate before value adjustment is net financing expenses before fair value and exchange rate adjustment in relation to the interest-bearing net debt at amortised cost and adjusted for the annual average Danish consumer price inflation

Interest rate development 2017



Financial risks

Øresundsbro Konsortiet may only have currency exposure in DKK, SEK and EUR. The company had approximately 10% exposure to SEK at the beginning of 2017, only increasing marginally.

The benchmark for exposure to SEK is a holding of around 15%, which corresponds to the Consortium's long-term economic exposure to SEK. It should be noted that the basic price for passage across the bridge is set in DKK and is then converted into SEK. In addition, revenues from the railway are also set in DKK.

The company's interest rate risk is actively managed by swaps and other financial instruments. A detailed description of the overall interest rate strategy is set out in note 16.

2017 was characterised by solid growth in the vast majority of countries/regions. Growth in both the US and Europe increased gradually to 2.5 per cent following a slight slowdown in 2016. Conversely, China's growth stabilised at around 6.5 per cent.

The gap in the world economic growth (potential growth being lower than actual growth) has gradually narrowed to to a level where some resources are under pressure, not least the labour force. The correlation between unemployment and inflation (the Phillips curve) has been a theme over the last couple of years. In the United States in particular, the very low unemployment rate (close to 4 per cent) is expected to lead to rising wage pressure and hence rising inflation, but development has been sluggish.

The threat of deflation – that has largely characterised the ECB's policy and the European economy since the financial crisis started – is no longer part of the debate and, although inflation is still slightly lagging behind the ECB's target, the trend was correct in 2017. The recovery has obviously been helped by the extremely loose monetary policy, with negative interest rates and huge bond purchases by the ECB.

In addition, the financial markets were influenced by the newly elected US President, Donald Trump, elections in several major European countries (Holland, France and Germany), as well as the EU-UK negotiations on the terms for Brexit.

The US Federal Reserve raised interest rates three times in 2017 by a total of 0.75 per cent. At the same time Federal Reserve's initiated a trimming of the balance sheet, which began to increase significantly after the financial crisis. In Europe, the ECB did not change the interest rate during 2017, but initiated a normalisation of monetary policy. This was in the form of a plan to tapere bond purchase programme (APP) in 2018.

Long-term interest rates were quite stable, despite the otherwise increasing growth on both sides of the Atlantic. In Europe, the 10-year swap rate moved within a narrow range of 0.7-1.0 per cent, while the fluctuations were moderately higher in the US.

The duration of the company's debt increased considerably during 2017. This is justified by the company's preparations for the expected dividend payments to its owners in 2018. The final decision on the dividend policy is expected to be clarified in 2018 and the extension of the duration should be seen as a preparation for this. Thus, the duration of the nominal part of the debt had doubled from approximately 4.5 years to almost 9 years at the end of 2017. The total duration of the entire debt portfolio (including real rate debt) increased from 6.3 years to 8.4 years.

The principles for managing financial credit risks are set out in note 16.

The Consortium's policy remains to only accept credit risks on the most creditworthy counterparties. A consequence of the financial crisis was a significant deterioration in the credit rating of the financial institutions, which is also reflected in the Consortium's counterparty risks. In 2009, and in order to counter the higher credit risks, the Consortium significantly reduced the maximum limit for placement of surplus liquidity. The Consortium did not lose money on financial counterparty bankruptcies in 2017.

Since 1 January 2005, the company has only been able to enter into swaps and similar financial transactions with counterparties that are bound by a separate collateral agreement (CSA agreement). Through this, the credit exposure in respect of swaps, etc. is reduced to an absolute minimum. The company, therefore, has not found it necessary to change the limits in this area.

The company has nearly completed the process of changing its agreements on collateral (which is part of the contractual basis with its counterparties on financial contracts) so that they more fully take into account the new regulation in the banking sector. Ongoing changes in financial regulation mean however, that this topic will continue to be relevant over the coming years.

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Repayment

Øresundsbro Konsortiet and the owner companies' debt will be repaid with the revenue from road and rail traffic. Since 2006, the company has applied a real rate of 3.5% as the basis for calculating the repayment period in its long-term profitability calculations. In light of the fall in interest rates in recent years, and the subdued outlook for future interest rate development, the company decided in 2014 to apply a real rate of 3.0 %.

With the latest traffic forecast, Øresundsbro Konsortiet's debt could be repaid in 2033. In the calculation, the proposed dividend to the owner companies amounts to DKK 1,070 million in 2018, corresponding to the year's profit before value adjustments. The owner companies can therefore begin to repay the loans that financed the landworks.

The main uncertainty factors in the calculations are the long-term traffic development and the real rate. However, profitability has gradually become quite robust to fluctuations in the real rate. A sensitivity analysis of the repayment period with various interest rate levels shows that 33 years continues to apply even if the real rate fluctuates +/- 0.5% (2.5-3.5%). In addition, the dividend policy will assume great importance for the Consortium's repayment period.

Risk management and control

Øresundsbro Konsortiet's main responsibility is to own and operate the fixed link across Øresund, including maintaining a high level of accessibility and safety on the link, and to ensure repayment of the loans raised to construct the Øresund Bridge within a reasonable time frame.

There are, however, a number of risks associated with these objectives. Some can be managed/reduced by the Consortium while others are external events over which the Consortium has no control.

In 2010, Øresundsbro Konsortiet implemented a holistic risk analysis, identifying and prioritising the company's risks. One of the elements in the risk strategy is that once a year, the Board of Directors presents a report that sets out the company's key risks and specific proposals for handling them. This was done for the first time in 2010 and was most recently updated in 2017.

The main risks in relation to the Consortium's main targets are attached to the revenue from road traffic, which is influenced by a large number of factors, which Øresundsbro Konsortiet cannot influence or is only able to do so to a limited extent. These include economic changes, integration in the Øresund Region and investments in other infrastructure. In addition, road revenue is affected by the Consortium's own decisions concerning, for example, products and toll charges.

Øresundsbro Konsortiet's Management Board and Board of Directors continually monitor and analyse the risk in relation to road revenues. In addition, the development in road revenues is assessed thoroughly in connection with the annual setting of toll charges. In 2017, the Board of Directors approved a revised business plan. In 2015, the Board of Directors decided to apply a revised traffic forecast involving a lower traffic revenue estimate for the years ahead.

Note 17 describes the calculations relating to the debt repayment period, and the sensitivity herein. Aside from road revenue, financing expenses play a significant role in the company's economy. The company's financial risks are continually managed and monitored, c.f. page 20 and note 16

Developments in the long-term maintenance and reinvestment costs are also subject to some uncertainty. The Consortium works proactively and systematically to reduce these uncertainties and the risks are not deemed to constitute any major negative impact on the repayment date. This assessment is supported by an external analysis from 2008.

The greatest risk to the bridge's accessibility is prolonged closure owing to a collision, acts of terrorism or the like. The likelihood of such events is slight, but the potential consequences are nevertheless extensive. A prolonged disruption to both the road and rail link would mean, for example, that around 20,000 people would have difficulty getting to and from work. Øresundsbro Konsortiet's direct financial losses from such incidents, however, are covered by insurance, including cover for operating losses for up to two years.

The Consortium's objective is that safety on the link's road and railway should be high and comparable with similar facilities on land in Denmark and Sweden. So far, this objective has been achieved and the pro-active safety work continues. The work is supported by extensive statistical analysis (known as Operational Risk Analysis – ORA), which is updated at regular intervals, i.e. on the basis of experience gained from the link's ongoing operations. A major accident on the road or rail link cannot, of course, be excluded, and the consequences of this are difficult to assess (see above).

In collaboration with the relevant authorities in Denmark and Sweden, Øresundsbro Konsortiet maintains a comprehensive contingency plan, including an internal crisis response, to handle accidents on the link. The contingency plans are tested regularly through exercises that meet the requirements laid down by the authorities and the EU. Major exercises, which cover both road and rail, are conducted every four years. Such an exercise was conducted in the autumn of 2016 where the scenario was an accident in the rail tunnel.

The work on holistically-oriented risk management has identified and systemised a number of risks associated with the normal operations of the fixed link, including the risk of breakdowns of, or unauthorised access to, IT systems, delays and increased costs of maintenance works, the working environment, etc. These risks are handled by the day-to-day management and by the line organisation.

The consortium's risk management and internal control in connection with accounting and financial reporting are aimed at minimising the risk of material errors. The internal control system includes clearly defined roles and responsibilities, reporting requirements as well as procedures for certification and approval. Internal audits are audited by the auditors and reviewed by the Board of Directors through the Audit Committee.

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The company's Board of Directors and Management Board

The principles of Corporate Governance

Øresundsbro Konsortiet is a Danish-Swedish consortium registered in Denmark and Sweden. The company is jointly owned by A/S Øresund and SvenskDanska Broförbindelsen SVEDAB AB. A/S Øresund is owned by Sund & Bælt Holding A/S, which, in turn, is owned by the Danish state. SVEDAB AB is owned by the Swedish state.

In accordance with the government agreement between Denmark and Sweden, the owner companies, A/S Øresund and SvenskDanska Broförbindelsen SVEDAB AB, have entered into a consortium agreement. This agreement regulates the principles for the Annual General Meeting, elections to the Board of Directors, the Board's size and composition as well as the Chairman.

The consortium is not directly subject to a corporate governance code.

The Board of Directors

The Board has the same powers and obligations that normally rest with the Board of Directors of a public company. The Board has overall responsibility for managing Øresundsbro Konsortiet and deciding on issues of major strategic and economic importance. In addition, the Board of Directors approves major investments, significant changes to the company's organisation and key policies and approves the budget and financial statements. The Board of Directors appoints the CEO and sets the conditions of employment for the CEO and other senior executives. The principles described in more detail in note 19.

The work of the Board of Directors

The Board of Directors' rules of procedure relate to the Board of Directors' powers and responsibilities, instructions for board meetings and the division of responsibilities between the Chairman, the other board members and the CEO.

The Board meets at least four times a year, and at least one meeting concerns long-term strategy. More meetings can be convened as required.

Øresundsbro Konsortiet's auditors attend at least one board meeting per year. In addition to the first meeting, the Board of Directors met four times in 2017.

The Board of Directors continually evaluates its work and that of the CEO with the purpose of developing the Board's way of working and efficiency.

Management Board

In accordance with a specially established procedure, the Board of Directors has delegated responsibility for day-to-day management to the CEO, who participates in board meetings.

Election of the Board of Directors

The Consortium's two owner companies each appoint four members to the Board of Directors. The owner companies nominate in turn the Chairman and Vice-Chairman of the Board of Directors every other year. The Board of Directors elects a Chairman and Vice-Chairman for one year at a time. None of the board members serves on the company's daily management.

Board Committees

The full board constitutes Øresundsbro Konsortiet's audit committee, which holds separate meetings in connection with ordinary board meetings. The Board's Vice-Chairman is Chairman of the Audit Committee. Øresundsbro Konsortiet has no remuneration committee.

Risk management and internal controls and financial reporting

The Consortium's risk management, internal management and control in relation to the presentation of accounts and financial reporting are designed to minimise the risk of error and irregularities. The internal control system comprises the division of duties with clearly defined roles and areas of responsibility, reporting requirements as well as procedures for attestation and approval. Internal controls are scrutinised by the auditors and reviewed by the Board of Directors via the Audit Committee.

Budget follow-up takes place on a quarterly basis and is approved by the Board of Directors. The Board of Directors also approves the company's interim reports. The Consortium complies with Danish requirements and does not publish full quarterly reports but publishes the results in a press release.

Audit

The Consortium's accounts and internal controls are reviewed by the auditors elected by the respective owner companies. The auditors present written reports to the Board of Directors at least once a year. The reports are submitted at board meetings and signed by all board members. The auditors take part in at least one board meeting a year. Auditor fees are paid as per account rendered.

Remuneration of senior executives

The overriding principles are that salaries for senior executives should be competitive, but not industry leading. There are no special pension schemes or insurances for senior executives and there is no incentive-based remuneration of the Consortium's senior executives.

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Board of Directors

Bo Lundgren
Chairman since 2016.
Chairman of Lundgren & Hagren AB, Sparbankernas Riksförbund with service companies, Sparbanksstiftelsen Finn, Specialfastigheter AB and Svensk-Danska Broförbindelsen SVEDAB AB.
Vice-Chairman of Sparbanken Skåne AB.
Born: 1947

Peter Frederiksen
Member of the Board of Directors and Vice-Chairman since 24 April 2017
Managing Director
Chairman of Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg.
Board member of A/S United Shipping & Trading Company, Bunker Holding A/S and Uni-Tankers A/S.
Born: 1963

David P Meyer
Member of the Board of Directors and Vice-Chairman until 24 April 2017
Chairman of Dansani A/S, C&H Systems A/S, KD A/S, Damasec Global Group ApS., VESAVE A/S, KD Pile Equipment A/S, Waturu ApS, Sensitivus gauge ApS, DanWee A/S and Friis Group A/S.
Vice-Chairman of Pressalit A/S
Member of the Board of Directors of Atrium Partners A/S, Kohsel Elektronik A/S and Dameca A/S
Born: 1957

Lars Erik Fredriksson
Member of the Board of Directors since 2015
Investment Director, Sweden's Ministry of Industry, Employment and Communication
Chairman: OECD WPSOPP
Member of the Board of Directors of Svensk-Danska Broförbindelsen SVEDAB AB, Arlandabanan Infrastructure AB and EUROFIMA European Company for the Financing of Railroad Rolling Stock.
Born: 1964

Mikkel Hemmingsen
Member of the Board of Directors since 24 April 2017
CEO of Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund and A/S Femern Landanlæg
Chairman of BroBizz A/S and Sund & Bælt Partner A/S.
Member of the Board of Directors of Femern A/S
Born: 1970

Kerstin Hessius
Member of the Board of Directors since 2012
CEO: Tredje AP-fonden.
Member of the Board of Directors of Svensk-Danska Broförbindelsen SVEDAB AB, Handelsbanken AB, Trenum AB, Vasakronan AB, Hemsö Fastighets AB and Riksbankens Jubilæumsfond.
Born: 1958

Claus Jensen
Member of the Board of Directors since 2014
Union President, the Danish Metal Workers' Union
Chairman of Central Organisation of Industrial Employees in Denmark and Nordic Industry Workers Federation
Vice-Chairman of IndustriALL-European Trade Union
Member of the Advisory Board and Strategy Committee of the EUROPA think-tank
Member of the Board of Directors of the Danish Confederation of Trade Unions, A/S A-Pressen, Economic Council of the Labour Movement, Arbejderbevægelsens Kooperative Finansieringsfond (AKF), Arbejdernes Landsbank, Femern A/S, A/S Femern Landanlæg, Industriens Kompetenceudviklingsfond (IKUF), Industriens Pension Service A/S, Industriens Uddannelse- og Samarbejdsfond (IUS), IndustriPension Holding A/S, Industriens Pensionsforsikring A/S, InnovationsFonden, Interforcekomiteen, Lindø port and ODENSE A/S, A/S Storebælt, Sund & Bælt Holding A/S, Ulandssekretariatet and A/S Øresund.
Member of the Board of Representatives (Danmarks Nationalbank), Produktionspanel 4.0, vækstteamet (Det Blå Danmark), præsidiet (Folk & Sikkerhed), repræsentantskabet (Fonden Peder Skram), Board of Trustees European Workers Participation Fund (EWPF), Akademiet for de Tekniske Videnskaber (ATV) Think-Tank, repræsentantskabet Arbejdsmarkedets Tillægspension (ATP). CPH Growth Committee, The Danish Growth Council, The Danish Economic Council, The Market Development Fund, Olympic Sports Forum, Supervisory Committee Young Enterprise/Fund for Entrepreneurship Judge at the Labour Court
Born: 1964

Carsten Koch
Member of the Board of Directors until 24 April 2017
Chairman: City & Port Development I/S, The Danish Growth Fund, Københavns Havns Pensionskasse, Arealudviklingsselskabet Fredericia C P/S, Arealudviklingsselskabet Nærheden P/S, Forca A/S, Professionshøjskolen UCC and Danish Agency for Labour Market and Recruitment.
Vice-Chairman: Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S, A/S Femern Landanlæg and AS3 ApS.
Member of the Board of Directors of Investeringsforeningen Maj Invest and CMP Copenhagen Malmö Port A/B.
Born: 1945

Jan Olson
Member of the Board of Directors since 2013.
CEO, Olserud Consulting AB
Chairman of Luftfartsverket (LFV) and Arlandabanan Instrastructure AB
Member of the Board of Directors of Svensk-Danska Broförbindelsen SVEDAB AB.
Born: 1950

Pernille Sams
Member of the Board of Directors until 24 April 2017
Director and member of the Board of Directors of Pernille Sams Ejendomsmæglerfirma ApS.
Chair, Danish Independent Estate Agents and World Animal Protection.
Member of the Board of Directors of Boligsiden A/S and Dansk Egendomsmæglerforening.
Born: 1959

Jørn Tolstrup Rohde
Member of the Board of Directors since 24 April 2017
Chairman of 3C Groups A/S, Blue Ocean Robotics Holding A/S, Løgismose Meyers A/S and
Alfred Pedersen & søn A/S.
Vice-Chairman of Sund & Bælt Holding A/S, A/S Storebælt, A/S Øresund, Femern A/S and A/S Femern Landanlæg.
Born 1961

Management Board

Caroline Ullman-Hammer
CEO since 2007
Member of the Board of Directors of Stena Fastigheter AB
Born: 1954

Kaj V. Holm
Vice-CEO and Treasury Director
CFO, Sund & Belt Holding
Member of the Board of Directors of Kommunekredit and Rønne Havn A/S
Born: 1955

Bengt Hergart
Property Director
Member of the Board of Directors of Sustainability Circle
Born: 1965

Fredrik Jenfjord
Marketing & Sales Director
Born: 1973

Göran Olofsson
Operations & Service Director
Born: 1966

Bodil Rosengren
Finance Director
Born: 1965

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Income statement and statement of comprehensive income

For the year ended 31 December (DKK/SEK'm)

Note		DKK 2017	DKK 2016	SEK 2017	SEK 2016
Note	**Income**				
4	Operating income	1.927,7	1.866,0	2.548,9	2.397,5
	Total income	**1,927.7**	**1,866.0**	**2,548.9**	**2,397.5**
	Costs				
5,6	Other operating costs	-153.4	-163.7	-202.9	-210.3
7	Staff costs	-108.0	-112.0	-142.8	-143.9
8	Other expenses	-2.1	-3.7	-2.8	-4.7
8	Depreciation. road and rail links	-252.5	-252.3	-333.9	-317.6
9	Depreciation. other fixtures and fittings. plant and equipment	-22.2	-27.9	-29.3	-42.5
	Total costs	**-538.2**	**-559.7**	**-711.7**	**-719.1**
	Operating profit	**1,389.5**	**1,306.3**	**1,837.2**	**1,678.4**
	Financial income and expenses				
10	Financial income	0.2	0.2	0.2	0.3
10	Financial expenses	-319.5	-286.8	-422.4	-368.5
10	Value adjustments. net	398.0	-210.5	526.2	-270.5
	Total net financials	**78.7**	**-497.1**	**104.0**	**-638.7**
	Profit/Loss for the year	**1,468.2**	**809.2**	**1,941.2**	**1,039.7**
	The Consortium has no other comprehensive income neither for the current year nor the previous year.				
	Proposed distribution of profit/loss:				
	It has been proposed that the profit/loss be paid as dividend to owners	1,070.2	-	1,415.0	-
	be recognised in retained earnings	398.0	809.2	526.2	1.039.7
	Total	**1,468.2**	**809.2**	**1,941.2**	**1,039.7**

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Balance sheet

At 31 December (DKK/SEK'm)

Note	Assets	DKK 2017	DKK 2016	SEK 2017	SEK 2016
	Non-current assets				
	Property, plant and equipment				
8	Road and rail links	15,225.6	15,407.4	20,131.7	19,796.2
9	Other fixtures and fittings, plant and equipment	51.9	55.5	68.6	71.3
	Total property, plant and equipment	**15,277.5**	**15,462.9**	**20,200.3**	**19,867.5**
	Total non-current assets	**15,277.5**	**15,462.9**	20,200.3	19,867.5
	Current assets				
	Receivables				
11	Receivables	223.4	218.4	295.5	280.6
12,15	Derivative financial instruments, assets	433.3	719.0	572.9	923.8
	Total receivables	**656.7**	**937.4**	**868.4**	**1,204.4**
13,15	**Bonds**	**900.4**	**940.0**	**1,190.4**	**1,207.8**
13,15	**Cash at bank and in hand**	**77.8**	**1.0**	**102.9**	**1.3**
	Total current assets	**1,634.9**	**1,878.4**	**2,161.7**	**2,413.5**
	Total assets	**16,912.4**	**17,341.3**	22,362.0	**22,281.0**

Note	Equity and liabilities	DKK 2017	DKK 2016	SEK 2017	SEK 2016
	Equity				
14	Consortium capital	50.0	50.0	66.1	64.2
	Dividend proposed	1,070.2	-	1,415.0	-
	Retained earnings	398.9	0.9	527.4	1.2
	Total equity	**1,519.1**	**50.9**	**2,008.5**	**65.4**
	Liabilities				
	Non-current liabilities				
15	Bond loans and amounts owed to mortgage credit institutions	10,002.8	13,161.7	13,226.0	16,910.8
	Total non-current liabilities	**10,002.8**	**13,161.7**	**13,226.0**	**16,910.8**
	Current liabilities				
15	Current portion of non-current liabilities	2,915.8	1,168.5	3,855.3	1,501.4
13,15	Mortgage credit institutions	0.0	383.8	0.0	493.1
18	Trade and other payables	172.2	202.8	227.8	260.5
12,15	Derivative financial instruments, liabilities	**2,302.4**	**2,373.6**	**3,044.4**	**3,049.8**
	Total current liabilities	**5,390.4**	**4,128.7**	**7,127.5**	**5,304.8**
	Total liabilities	**15,393.2**	**17,290.4**	**20,353.5**	**22,215.6**
	Total equity and liabilities	**16,912.4**	**17,341.3**	**22,362.0**	**22,281.0**

22	Contingent liabilities and security
23	Related parties
1-3,16	Notes without reference
17,19	Notes without reference
25-26	Notes without reference

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Statement of changes in equity

1 January to 31 December (DKK/SEK'm)

Note		DKK Consortium capital	DKK Retained earnings	DKK Dividend proposed	DKK Total equity	SEK Consortium capital	SEK Retained earnings	SEK Dividend proposed	SEK Total equity
	Balance at 1 January 2016	**50,0**	**-808.3**	-	**-758.3**	**61.6**	**-995.2**	**-**	**-933.6**
	Profit/Loss for the year	-	809.2	-	809.2	-	1,039.7	-	1,039.7
	Other comprehensive income	-	-		-	-	-	-	-
	Total comprehensive income for the year	-	809.2	-	809.2	-	1,039.7	-	1,039.7
	Foreign exchange adjustment at 1 January	-	-		-	-2.6	43.3	-	40.7
		-	809.2	-	809.2	-2.6	996.4	-	999.0
14	**Balance at 31 December 2016**	**50.0**	**0.9**	-	**50.9**	**64.2**	**1.2**	**-**	**65.4**
	Balance at 1 January 2017	**50.0**	**0.9**	-	**50.9**	**64.2**	**1.2**	**-**	**65.4**
	Profit/Loss for the year	-	398.0	1,070.2	1,468.2	-	526,2	1,415.0	1,941.2
	Other comprehensive income	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	398.0	1,070.2	1,468.2	-	526.2	1,415.0	1,941.2
	Foreign exchange adjustment at 1 January	-	-		-	1.9	-	-	1.9
		-	398.0	1,070.2	1,468.2	1.9	526.2	1,415.0	1,943.1
14	**Balance at 31 December 2017**	**50.0**	**389.9**	**1,070.2**	**1,519.1**	**66.1**	**527.4**	**1,415.0**	**2,008.5**

Cash flow statement

For the year ended 31 December (DKK/SEK'm)

Note		DKK 2017	DKK 2016	SEK 2017	SEK 2016
	Cash flows from operating activities				
	Profit before financial income and expenses	1,389.5	1,306.3	1,837.2	1,678.4
	Adjustments				
8,9	Depreciation	274.7	280.2	363.2	360.0
21	Other operating income, net	2.1	3.7	2.8	4.8
	Cash flows from primary activities before working capital changes	**1,666.3**	**1,590.2**	**2,203.2**	**2,043.2**
	Adjustments				
20	Working capital changes	-17.6	-29.0	-23.2	-37.3
	Total cash flows from operating activities	**1,648.7**	**1,561.2**	**2,180.0**	**2,005.9**
	Cash flows from investing activities				
8,9	Acquisition of property, plant and equipment	-91.5	-65.2	-121.0	-83.8
21	Disposal of property, plant and equipment	0.0	0.0	0.0	0.0
	Total cash flows from investing activities	**-91.5**	**-65.2**	**-121.0**	**-83.8**
	Cash flows before cash flows from financing activities	**1,557.2**	**1,496.0**	**2,059.0**	**1,922.1**
	Cash flows from financing activities				
	Raising of loans	458.0	1,213.8	605.6	1,559.6
	Reduction of liabilities	-1,296.4	-1,932.5	-1,714.0	-2,483.0
	Interest received	0.0	0.0	0.0	0.0
	Premiums received	3.2	6.4	4.2	8.2
	Interest paid	-290.3	-325.6	-383.9	-418.3
	Total cash flows from financing activities	**-1,125.5**	**-1,037.9**	**-1,488.1**	**-1,333.5**
	Change for the year in cash and cash equivalents	**431.7**	**458.1**	**570.9**	**588.6**
	Cash and cash equivalents at 1 January	557.2	98.3	716.0	121.0
	Foreign exchange adjustments, net	-10.7	0.9	-14.1	1.2
	Foreign exchange adjustment SEK at 1 January	-	-	**20.5**	**5.2**
13	**Cash and cash equivalents at 31 December***	**978.2**	**557.2**	**1,293.3**	**716.0**

The cash flow statement cannot be derived solely from the financial statements.
The cash flow statement is based on 'Profit before income and expenses', in order to give a more true and fair view.
* By the end of 2017 the Consortium had unused credit facilities of DKK 800 m' (By the end of 2016: DKK 416 m').

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Notes to the financial statements

(DKK/SEK'm)

Note 1
Accounting policies

BASIS OF ACCOUNTING

The annual report of Øresundsbro Konsortiet for 2017 has been prepared in accordance with the Consortium Agreement, International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish and Swedish disclosure requirements for annual reports of companies with listed debt instruments. The Consortium has no subsidiaries.

Additional Danish disclosure requirements for annual reports are those laid down in the Danish Executive Order on Adoption of IFRSs as issued pursuant to the Danish Financial Statements Act and by NASDAQ OMX Copenhagen.

New standards

The Consortium has as of 1 January 2017 implemented the following updated Standards and Interpretations:

- IAS 7
- IFRIC 22
- Annual impovements 2014-2016; minor changes to IFRS 1 and IFRS 12
- IAS 12

IASB has issued the following new or updated Standards and Interpretations, which have not yet become effective:

- IFRS 9
- IFRS 15
- IFRS 16

These Standards and Interpretations will be implemen¬ted when coming into force.

The consortium currently does not use hedge accounting why the introduction of new rules on hedge accounting is not expected to have any effect. The Consortium also has financial assets in the form of debt instruments to a limited extent, therefore, judged nor do the new rules on provision for future credit losses have a significant effect. Under IFRS 9 a company can continue to recognise financial liabilities at fair value (Fair value option). According to IFRS 9, the impact of changes attributable to changes in own credit risk are recognised in other comprehensive income instead of as today in the income statement. The Consortium is evaluating the potential impact of this change but preliminary estimates that the guarantees provided by the Danish and Swedish states means that the credit risk will not be changed significantly. IFRS 9 also changes the provision for future credit losses for receivables not past due. However, this is considered to have a non-significant effect.

The implementation of IFRS 15 is expected to be insignificant as revenue from the road link is recognised as the service is delivered.

The implementation of IFRS 16 is expected to impact the balance sheet. See note 6, operational leases.

The implementation of the other Standards and Interpretations is not expected to significantly impact on the financial reporting of Øresundsbro Konsortiet.

New Standards and Interpretations implemented in 2017, has not had any impact on the accounting policies.

The accounting policies used are consistent with those applied to the Annual Report 2016

Significant accounting choices in accounting policies

The Consortium has decided to use the so-called Fair Value Option under IAS 39. Consequently, all financial transactions (loans, placements and derivative financial instruments) are measured at fair value, and changes in fair value are recognised in the income statement. Loans and cash at bank and in hand are measured at fair value on initial recognition in the balance sheet, whereas derivative financial instruments are always measured at fair value, see IAS 39.

The rationale for using the Fair Value Option is that the Consortium consistently applies a portfolio approach to financial management, which means that anticipated financial risk exposure is managed through different financial instruments, both primary and derivative financial instruments. Accordingly, when managing financial market risks, the Consortium does not distinguish between, for example, loans and derivative financial instruments. It only focuses on total exposure. Using financial instruments to manage financial risks could therefore result in accounting inconsistencies if the Fair Value Option is not exercised. This is the reason for exercising the Fair Value Option.

It is the Consortium's opinion that the Fair Value Option is the only principle under IFRS that reflects this approach, as the other principles lead to inappropriate accounting inconsistencies between otherwise identical exposures, depending on whether the exposure relates to loans or derivative financial instruments, or whether it requires comprehensive documentation as in the case of 'hedge accounting'. As derivative financial instruments, financial assets and loans are measured at fair value, recognition in the financial statements will produce the same results for loans and related hedging through related derivative financial instruments when hedging is effective. Thus, the Company will achieve accounting consistency. Loans without related derivative financial instruments are also measured at fair value in contrast to the main rule laid down in IAS 39 pursuant to which loans are measured at amortised cost. This will naturally lead to volatility in profit/loss for the year as a result of value adjustments.

All reporting figures are also presented in SEK

The annual report is presented in DKK, and all amounts are disclosed in DKK million unless otherwise stated. In addition, all figures are presented in SEK, translated at the foreign exchange rate of 75.63 at 31 December 2017 (77.83 at 31 December 2016). The presentation in SEK is supplementary and is not in accordance with currency translation according to IFRS.

Significant accounting policies

Operating income

Income from the sale of services is recognised as services are delivered if income can be measured reliably, and when it is probable that future economic benefits will flow to the Consortium.

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

Impairment testing of non-current assets

Property, plant and equipment and investments are subject to impairment testing when there is an indication that the carrying amount may not be recoverable. Impairment losses are recognised by the amount by which the carrying amount of the asset exceeds the recoverable amount, i.e. the higher of an asset's net selling price and its value in use. Value in use is the present value of expected future cash flows from the asset using a pre-tax discount rate that reflects the current market return. In determining impairment losses, assets are grouped in the smallest group of assets that generate separate identifiable cash flows (cash-generating units). See also Note 17.

Impairment losses are recognised in the income statement.

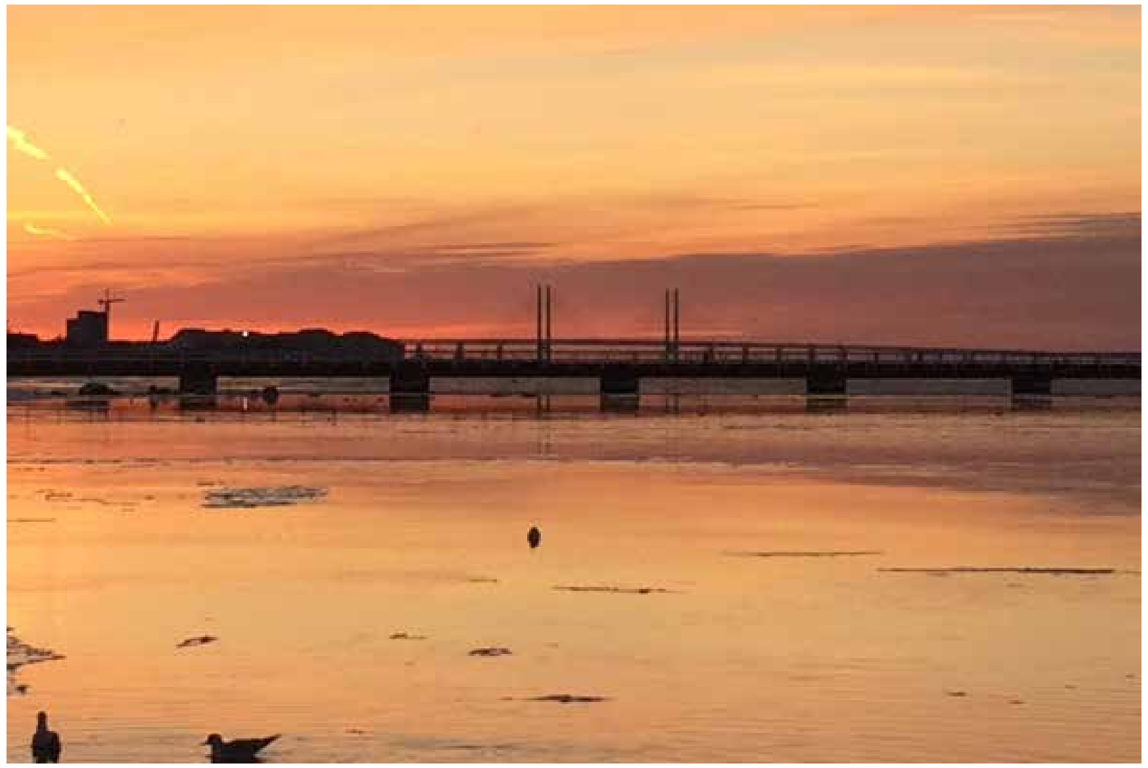
Financial assets and liabilities

Financial assets are initially as well as subsequently recognised and measured in the balance sheet at fair value. Differences in fair value between balance sheet dates are included in the income statement under financial income and expenses. On initial recognition, all cash at bank and in hand is classified as assets measured at fair value, see accounting policies.

Holdings of treasury shares are set off against equivalent bond loans issued.

Loans are initially and subsequently measured at fair value in the balance sheet. On recognition, all loans are classified as financial liabilities measured at fair value through profit or loss, see the accounting policies. Irrespective of the scope of interest-rate hedging, all loans are measured at fair value, with value adjustments being recognised regularly in the income statement, calculated as the difference in fair value between the balance sheet dates.

The fair value of loans is calculated as the market value of future known and expected cash flows discounted at relevant rates, as current and traded quotations typically are not listed for the Consortium's listed bonds and as no quotations are available for unlisted



bond issuers and bilateral loans. Discounting rates are based on current market rates considered to apply to the Consortium as a borrower.

Real interest debt consists of a real interest rate plus a supplement for revaluation of inflation. The expected inflation is included in the calculation of the fair value of inflation-linked loans, and is based on break even inflation from the so-called "break-even" inflation swaps, where a fixed payment inflationary is exchanged with realised inflation, that of course is unknown at the time of the contract. Danish break even inflation is determined within a range of European "break-even" inflation-linked swaps with HICPxT as the reference index. Discounting adopts the general principles. The fair value of loans with related structured financial instruments are determined collectively, and the fair values of any options for payment of interest or instalments on the loans are measured using generally accepted standard valuation methods (locked formulas), with the volatility of reference rates and foreign currencies being included.

Loans falling due after more than one year are recognised as non-current liabilities.

Derivative financial instruments are recognised and measured at fair value in the balance sheet. On initial recognition in the balance sheet, they are measured at cost. Positive and negative fair values are included in Financial assets and Financial liabilities, respectively, and positive and negative values are only set off when the Consortium has the right and the intention to settle several financial instruments collectively.

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

Derivative financial instruments include instruments, the value of which depends on the underlying value of the financial parameters, primarily reference rates and currencies. All derivative financial instruments are OTC derivatives with financial counterparties. Therefore, no listed quotations exist for such financial instruments. Derivative financial instruments typically comprise interest rate swaps and currency swaps, forward exchange contracts, currency options, FRAs and interest rate guarantees and swaptions.

Market value is determined by discounting known and expected future cash flows using relevant discount rates. The discount rate is determined in the same way as for loans and cash at bank and in hand, i.e. using balance sheet date market rates considered to apply to the Consortium as a borrower.

Inflation-linked swaps consists, in the same way as Real interest debt, of a real interest rate plus a supplement for revaluation of inflation. The expected inflation is included in the calculation of the fair value of inflation-linked loans, and is based on "break-even" inflation from the so-called "break-even" inflation swaps, where a fixed payment inflationary is exchanged with realised inflation, that of course is unknown at the time of the contract. Danish "break-even" inflation is determined within a range of European "break-even" inflation-linked swaps with HICPxT as the reference index. Discounting adopts the general principles.

For derivative financial instruments with an option for cash flows, e.g. currency options, interest rate guarantees and swaptions, fair value is determined using generally accepted valuation methods (locked formulas), with the volatility of the underlying reference rates and currencies being included. Where derivative financial instruments are tied to several financial instruments, total fair value is calculated as the sum of the individual financial instruments.

According to IFRS 7, financial assets and liabilities recognised at fair value should be classified in a three-layer hierarchy for valuation methodology. Level 1 of the fair value hierarchy includes assets and liabilities recognised at quoted prices in active markets. At Level 2, assets and liabilities are valued using active quoted market data as input to generally accepted valuation methods and formulas. Finally, Level 3 includes assets and liabilities in the balance sheet which are not based on unobservable market data and, consequently, must be commented on separately.

The Consortium bases fair value pricing on quoted market data as input to generally accepted valuation methods and formulas for all items. Therefore, all assets and liabilities are included in Level 2; see the valuation hierarchies specified in IFRS 13. There have not been any transfers between Levels during the year.

Financial income and expenses

These items comprise interest income and expenses, realised inflation-linked revaluation of inflation-linked instruments , foreign exchange gains and losses on loans, cash at bank and in hand and derivative financial instruments as well as foreign currency translation of transactions denominated in foreign currencies.

The fair value adjustment equals total net financials, which in the income statement are split into financial expenses and value adjustments, net. Interest income and expenses as well as realised inflation-linked revaluation of inflation-linked instruments are included in financial income and expenses, whereas foreign exchange gains and losses, including foreign currency translation, are included in value adjustments, net.

Taxation

Tax on Øresundsbro Konsortiet's profit/loss is incumbent on A/S Øresund and Svensk-Danska Broförbindelsen SVEDAB AB, respectively.
Accordingly, no tax is recognised in the Consortium's income statement and balance sheet.

Other accounting policies

Other operating costs

Other operating costs comprise costs relating to the technical, traffic and commercial operations of the Øresund Bridge. Other operating costs include, among others, costs for the operation and maintenance of plants, marketing, insurance, IT, external services, office expenses and expenses for office premises.

Staff costs

Staff costs comprise costs for employees, the Board of Management and the Board of Directors. Staff costs include direct payroll costs, pension contributions, educational expenses and other costs directly relating to staff.

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

Other expenses

Other expenses includes profit or loss from the disposal of property, plant and equipment calculated as the difference between selling price less selling costs and carrying amount at the time of sale.

Operating leases

Operating leases are recognised in the income statement on a straight-line basis over their term if no other systematic method would give a better view of the leases during their term. Current leases refer to the leasing of premises and cars

Property, plant and equipment

Property, plant and equipment are recognised in the

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balance sheet as an asset when it is probable that future economic benefits will flow to the Consortium, and the value of the asset can be measured reliably.

Property, plant and equipment are initially recognised at cost. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Subsequently, non-current assets are measured at cost less depreciation and impairment losses.

During the construction period, the value of the constructions was determined using the following principles:

- Costs relating to the acquisition of the constructions are based on concluded contracts, and contracts are capitalised directly.
- Other direct or indirect costs are capitalised as the value of own work.
- Net finance costs are capitalised as construction loan interest.

Significant future one-off replacements/maintenance works (fulfilling the requirements for capitalisation) relating to total constructions performed by Øresundsbro Konsortiet are depreciated over their expected useful lives. Ongoing maintenance work is expensed as costs are incurred.

Profit or loss from the disposal of property, plant and equipment is calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income and other operating costs, respectively.

Depreciation of the road and rail links commences when the construction work is finalised and the constructions are ready for use. Constructions are depreciated on a straight-line basis over the expected useful lives. For the road and rail links of Øresundsbro Konsortiet, the constructions are divided into components with similar useful lives.

- The main part of constructions comprises constructions with minimum expected useful lives of 100 years. The depreciation period for this part is 100 years.
- Mechanical installations, crash barriers and road surfaces are depreciated over 10-25 years.
- Technical rail installations are depreciated over 15-25 years.
- Switching stations are depreciated over 20 years.
- Software is amortised and electric installations are depreciated over 3-10 years.

The basis of depreciation and amortisation of other assets is calculated using cost less any impairment losses. Depreciation and amortisation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

- Buildings used for operating purposes are depreciated over 25 years.
- Leasehold improvements are depreciated over the lease term, maximum 10 years.
- Fixtures and fittings and equipment are depreciated over 5-7 years.
- Administrative IT systems are amortised over 0-5 years.

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

The basis of amortisation and depreciation is calculated on the basis of residual value less any impairment losses. The residual value is determined at the acquisition date and reassessed annually. If residual value exceeds carrying amount, amortisation and depreciation will be discontinued.

The amortisation and depreciation methods and the expected useful lives are reassessed annually and are changed if there has been a major change in the conditions or expectations. If changes are made to the amortisation and depreciation methods, or to residual value, the effect on amortisation and depreciation will be recognised as a change of accounting estimates and judgments.

Receivables

Trade receivables comprise amounts owed by customers and balances with payment card companies. Write-down is made for expected bad debt, where there is an objective indication that an individual receivable or portfolio of receivables is impaired. The objective indicators used for portfolios are based on historical loss experiences.

Receivables also comprise accrued interest in respect of assets and costs paid concerning subsequent financial years.

Receivables are recognised at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of less than three months at the acquisition date which involve only an insignificant risk of changes in value.

Pension obligations

The Consortium has established pension plans and similar agreements for the majority of its employees. Danish employees participate in a defined contribution plan, and the Swedish employees participate in a pension plan with Alecta (multi-employer plan). The Alecta pension plan is classified as a defined benefit plan according to IAS 19. However, Alecta has not been able to provide sufficient information to enable the entity to account for the plan as a defined benefit plan, thus the plan is accounted for as a defined contribution plan in accordance with IAS 19, paragraph 34. See also Note 7.

Obligations in respect of defined contribution plans are recognised in the income statement in the period to which they relate, and any con¬tributions outstanding are recognised in the balance sheet as Trade and other payables. Any prepayments are recognised in the balance sheet under Receivables.

Foreign currency translation (operations and financing)

The Consortium is a Danish-Swedish enterprise and therefore it uses two identical currencies. For Øresundsbro Konsortiet, DKK is the functional and reporting currency. In connection with financial reporting, items are also translated into SEK (with the exception of certain financial note disclosures) based on the reporting currency of DKK. Translation into SEK is made using the SEK exchange rate at the balance sheet date. This is not in accordance with IFRS.
On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the rates at the date of payment are recognised in the income statement as financial income or financial expenses.

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

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Cash flow statement

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

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash income statement items, financial expenses paid and working capital changes.
Working capital comprises the operating balance sheet items recognised in current assets or current liabilities.

Cash flows from investing activities comprise acquisition and disposal of intangible assets, property, plant and equipment and investments.
Cash flows from financing activities comprise the raising of loans, repayment of debt and financial income and expenses.

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

Segment information

International Financial Reporting Standards (IFRS) require disclosure of income, costs, assets and liabilities etc. by segment. The Consortium estimates that there is one segment only. Internal reporting and financial control by the top management are made for one segment.

Financial ratios

The following financial ratios provided under financial highlights are calculated as follows:

EBITDA-margin:	Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) divided by sales
EBIT-margin:	Earnings before Interest and Tax (EBIT) divided by sales
Interest coverage ratio:	Earnings before Interest and Tax (EBIT) plus interest income divided by interest expenses
Return on total assets ratio:	Earnings after depreciation less other income divided by total assets
Return on road and rail links ratio:	Earnings after depreciation less other income divided by carrying amount of road and rail links

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Note 2
Significant accounting estimates and judgments

Determining the carrying amount of certain assets and liabilities requires an estimate of how future events will affect the value of such assets and liabilities at the balance sheet date. Estimates which are significant for the preparation of the financial statements are i.e. made by computing depreciation of and impairment losses on road and rail links and by computing the fair value of certain financial assets and liabilities.

Depreciation of road and rail links is based on an assessment of their main components and useful lives. Any change in this assessment will significantly affect profit/loss for the year, but will not affect cash flows or repayment periods. For certain financial assets and liabilities, an estimate is made of the expected future rate of inflation when calculating fair value. Calculation of debt repayment periods is subject to significant judgment; see Note 16, Financial risk management and Note 17 Profitability.

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

Repayment periods:
- Real interest rate assumptions
- Interest rate developments
- Traffic growth
- Inflation
- Reinvestments
- Operating costs

The calculation of the fair value of financial instruments is based on estimates of the relevant discounting rate applicable to the Consortium, the volatility of reference rates and currency for financial instruments with an option for cash flows, and estimates of future inflation for real interest rate loans and swaps. To the extent possible, the estimates made are based on tradable market data and continuously adjusted to actual price indications

Specific risks are mentioned in the management's review and note 16 to the financial statements.

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Note 3
Segment information

The segment information is based on the Company's internal reporting. The Company's top management uses segment information in monitoring the financial performance with a view to making financial decisions to allocate resources to the operating segments, including considering financial results.

The accounting policies applied when drawing up segment information are consistent with those applied by the Company, see Note 1.

Income from the road link includes fees for crossing the bridge and income from the sale of prepaid trips, whereas income from the railway links includes payment by Banedanmark/Trafikverket for using the rail links. Banedanmark and Trafikverket generate more than 10 per cent of the Company's total net income, respectively. For income from Banedanmark and Trafikverket respectively, see note 24.

Øresundsbro Konsortiet primarily genererates income through fees paid at the toll station in Sweden.

Besides payments by Banedanmark/Trafikverket, Øresundsbro Konsortiet does not depend on any major customers and has no transactions with other customers representing 10 per cent of net income or more.

Other operating income comprises items secondary to the Consortium's activities, including income from the use of fiber optic and telephone cables on the bridge. Other operating income also comprises intra-group income regarding the allocation of joint costs.

Note 4
Operating income

Operating income comprises income from the use of road and rail links and other operating income. Income from the road links comprises passenger fees paid when crossing the bridge and income from the sale of prepaid trips. Income from the rail link comprises payment from Banedanmark/Trafikverket for using the rail links.

Fees for using the road link of the Øresund Bridge are fixed by the Board of Directors of Øresundsbro Konsortiet. The fees to be paid by Trafikverket/Banedanmark for using the Øresund Bridge have been determined in accordance with the inter-government agreement between Denmark and Sweden of 23 March 1991 and Master agreement on the Management of Railway on the Oresund Link of 2000.

Other operating income comprises items secondary to the Consortium's activities, including income from the use of fiber optic and telephone cables on the bridge. Other operating income also comprises intra-group income regarding the allocation of joint costs.

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Income from the road link	1,405.5	1,346.0	1,858.4	1,729.4
Income from the railway link	501.6	496.9	663.3	638.4
Other income	20.6	23.1	27.2	29.7
	1,927.7	**1,866.0**	**2,548.9**	**2,397.5**

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Note 5
Other operating costs

Other operating costs comprise costs related to the technical, traffic and commercial operations of the Øresund Bridge. Other operating costs include, among others, costs for the operation and maintenance of plants, expenses for marketing, insurance and external services, IT and office expenses, audit fees and expenses for office premises.

Audit fees for 2017 are specified as follows:

Amounts stated in DKK'000	Fees for statutory audit	Fees for other assurance engagements	Fees for tax consultation	Fees for other services	Total
PricewaterhouseCoopers, Sweden	308	50	0	178	536
PricewaterhouseCoopers, Denmark	224	220	0	238	682
	532	**270**	0	**416**	**1,218**

Amounts stated in SEK'000	Fees for statutory audit	Fees for other assurance engagements	Fees for tax consultation	Fees for other services	Total
PricewaterhouseCoopers, Sweden	408	65	0	235	708
PricewaterhouseCoopers, Denmark	296	292	0	315	902
	704	357	0	550	1,610

Fees for non-audit services provided by PricewaterhouseCoopers Denmark and Sweden to Øresundsbro Konsortiet totals 686 DKK'000 / 907 SEK'000 and consist of statements about the Consortium financial management and EMTN program, CSA analysis, XBRL reporting on interim and annual reports, legal conditions, etc. at implementation of new systems and other general accounting and tax advice.

Audit fees for 2016 are specified as follows:

Amounts stated in DKK'000	Fees for statutory audit	Fees for other assurance engagements	Fees for tax consultation	Fees for other services	Total
PricewaterhouseCoopers, Sweden	523	0	0	109	632
PricewaterhouseCoopers, Denmark	200	0	0	0	200
	723	0	0	109	832

Amounts stated in SEK'000	Fees for statutory audit	Fees for other assurance engagements	Fees for tax consultation	Fees for other services	Total
PricewaterhouseCoopers, Sweden	672	0	0	141	813
PricewaterhouseCoopers, Denmark	257	0	0	0	257
	929	0	0	141	1,070

Note 6
Operating leases
Amounts stated in DKK/SEK'000

Operating leases comprise primarily premises for the office in Copenhagen.
The amounts below also include cars under operating leases.

	DKK 2017	DKK 2016	SEK 2017	SEK 2016
The following is recognised in the income statement as operating leases:	5,848	6,346	7,732	8,154
Operating minimum lease payments fall due as follows:				
0-1 year	5,117	6,204	6,766	7,972
1-5 years	708	1.048	936	1.347
> 5 years	0	0	0	0
	5,825	**7,252**	**7,702**	**9,318**

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Note 7
Staff costs

Staff costs include total costs related to employees, Management and the Board of Directors. Staff costs comprise direct payroll costs, pension contributions, educational expenses and other direct staff costs.

The Consortium's pension obligations to public servants in Sweden are covered by insurance with Alecta. This Alecta pension plan is classified as a multi-employer plan according to IAS 19. Alecta has not been able to provide sufficient information for the entity to account for the plan in accordance with IAS 19, and therefore the plan is accounted for as a defined contribution plan in accordance with IAS 19 paragraph 34. For 2017, payments to Alecta amounted to DKK 2.6 million/SEK 3.4 million (DKK 2.6 million/SEK 3.4 million). Payments to Alecta in 2018 is expected to be in line with payments in 2017.

It is not quite clear how a surplus or deficit for this plan would affect the amount of forward premium payments for the Company, or for the plan as a whole. Alecta is a mutual insurance company governed by the 'Försäkringsrörelselagen' in Sweden and by agreements between labor and management. Alecta's surplus determined at collective consolidation level was 154 per cent at the end of December 2017* (end of December 2016: 149 per cent). The collective consolidation level comprises the market value of Alecta's assets and liabilities calculated as a percentage of insurance obligations in accordance with Alecta's insurance technical calculation parameters. They do not comply with IAS 19, and therefore cannot form the basis of accounting.

*)Preliminary figures

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Staff costs are specified as follows:				
Wages and salaries, remuneration and emoluments	79,075	81,287	104,555	104,442
Pension contributions	10,526	10,865	13,917	13,960
Social security costs	15,360	16,428	20,309	21,108
Other staff costs	3,006	3,435	3,975	4,414
	107,967	**112,016**	**142,756**	**143,924**

Remuneration to the Board of Management is included above and is specified in Note 19.
In 2017, the average number of employees was 157 (2016: 166).
At year-end, the number of employees was 153 (2016: 162), counting 77 women (2016: 82) and 76 men (2016:80).

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Note 8
Road and rail links

Road and rail links are depreciated on a straight-line basis over their expected useful lives. The constructions are divided into components with different useful lives using the following principles:

- The main part of constructions comprises constructions which are designed with minimum expected useful lives of 100 years. The depreciation period for these parts is 100 years.
- Mechanical installations, crash barriers and road surfaces are depreciated over 10-25 years.
- Technical rail installations are depreciated over 15-25 years.
- Switching stations are depreciated over 20 years.
- Software is amortised and electric installations are depreciated over 3-10 years.

Amounts stated in DKK/SEK'm	DKK			SEK		
Cost	**Costs capitalise directly**	**Finance costs (net)**	**Total**	**Costs capitalise directly**	**Finance costs (net)**	**Total**
Cost at 1 January 2016	17,876.2	2,146.5	20,022.7	22,009.6	2,642.8	24,652.4
Foreign exchange adjustments at 1 January 2016	-	-	-	958.7	115.1	1,073.8
Additions for the year	52.6	-	52.6	67.6	-	67.6
Disposals for the year	-89.7	-	-89.7	-115.3	-	-115.3
Cost at 31 December 2016	**17,839.1**	**2,146.5**	**19,985.6**	**22,920.7**	**2,757.9**	**25,678.6**
Cost at 1 January 2017	17,839.1	2,146.5	19,985.6	22,920.7	2,757.9	25,678.6
Foreign exchange adjustments at 1 January 2017	-	-	-	666.6	80.3	746.9
Additions for the year	70.8	-	70.8	93.6	-	93.6
Disposals for the year	-15.2	-	-15.2	-20.1	-	-20.1
Cost at 31 December 2017	**17,894.7**	**2,146.5**	**20,041.2**	**23,660.8**	**2,838.2**	**26,499.0**
Depreciation						
Depreciation at 1 January 2016	3,965.6	447.1	4,412.7	4,873.6	559.4	5,433.0
Foreign exchange adjustments at 1 January 2016	-	-	-	221.6	15.1	236.7
Depreciation for the year	228.8	23.5	252.3	294.0	30.2	324.2
Disposals for the year	-86.7	-	-86.7	-111.4	-	-111.4
Depreciation at 31 December 2016	**4,107.7**	**470.6**	**4,578.3**	**5,277.8**	**604.7**	**5,882.4**
Depreciation at 1 January 2017	4,107.7	470.6	4,578.3	5,277.8	604.7	5,882.4
Foreign exchange adjustments at 1 January 2017	-	-	-	153.5	17.5	171.0
Depreciation for the year	229.0	23.5	252.5	302.8	31.1	333.9
Disposals for the year	-15.2	-	-15.2	-20.1	-	-20.1
Depreciation at 31 December 2017	**4,321.5**	**494.1**	**4,815.6**	**5,714.0**	**653.3**	**6,367.3**
Balance at 31 December 2016	**13,731.4**	**1,675.9**	**15,407.3**	**17,642.9**	**2,153.2**	**19,796.1**
Balance at 31 December 2017	**13,573.2**	**1,652.4**	**15,225.6**	**17,946.8**	**2,184.9**	**20,131.7**

Buildings at the toll station in Sweden are included in road and rail links.

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Note 9
Other fixtures and fittings, plant and equipment

The basis of depreciation and amortisation of other assets is calculated using cost less impairment losses. Depreciation and amortisation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

- Buildings used for operating purposes 25 years
- Leasehold improvements, lease period maximum 10 years
- Fixtures and fittings and equipment 5-7 years
- Administrative IT systems 0-5 years

Amounts stated in DKK/SEK'000	DKK	DKK	SEK	SEK
Cost	**Other fixtures and fittings, plant and equipment**	**Leasehold improvements etc**	**Other fixtures and fittings, plant and equipment**	**Leasehold improvements etc.**
Cost at 1 January 2016	265,160	15,962	326,471	19,653
Foreign exchange adjustments at 1 January 2016	-	-	14,220	856
Additions for the year	12,639	-	16,239	-
Disposals for the year	-2,328	-2,437	-2,991	-3,131
Cost at 31 December 2016	**275,471**	**13,525**	**353,939**	**17,378**
Cost at 1 January 2017	275,471	13,525	353,939	17,378
Foreign exchange adjustments at 1 January 2017	-	-	10,926	505
Additions for the year	20,785	-	27,482	-
Disposals for the year	-39,167	-	-51,788	-
Cost at 31 December 2017	**257,089**	**13,525**	**353,939**	**17,883**
Depreciation				
Depreciation at 1 January 2016	202,184	7,360	248,933	9,062
Foreign exchange adjustments at 1 January 2016	-	-	12,186	395
Additions for the year	26,600	1,340	32,751	1,722
Disposals for the year	-1,556	-2,437	-1,916	-3,131
Depreciation at 31 December 2016	**227,228**	**6,263**	**291,954**	**8,048**
Depreciation at 1 January 2017	227,228	6,263	291,954	8,048
Foreign exchange adjustments at 1 January 2017	-	-	8,493	233
Additions for the year	20,849	1,340	27,563	1,772
Disposals for the year	-36,989	-	-48,908	-
Depreciation at 31 December 2017	**211,085**	**7,603**	**279,102**	**10,053**
Balance at 31 December 2016	**48,243**	**7,262**	**61,985**	**9,330**
Balance at 31 December 2017	**46,004**	**5,922**	**60,828**	**7,830**

Note 10
Financial income and expenses

Fair value adjustments of financial assets and liabilities are recognised through profit or loss, see accounting policies. Value adjustments comprise total net financials, distributed on value adjustments and net finance costs, the latter including, among other items, interest income and expenses.

Net finance costs are based on accrued coupons, both nominal and inflation-linked coupons, inflation-linked revaluation of inflation-linked instruments, interest-rate option premiums, forward premiums/discounts and amortisation of premiums/discounts.

Value adjustments comprise capital gains and losses on financial assets and liabilities as well as foreign exchange gains and losses. Premiums from currency options are included in foreign exchange gains and losses.

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Financial income				
Interest income, securities, banks etc.	194	189	256	243
Total financial income	**194**	**189**	**256**	**243**
Financial expenses				
Interest expenses, loans	-325,134	-327,139	-429,901	-420,325
Interest income/expenses, derivative financial instruments	8,277	45,770	10,944	58,807
Other net financials	-2,625	-5,401	-3,470	-6,940
Total financial expenses	**-319,482**	**-286,770**	**-422,427**	**-368,458**
Net finance costs	**-319,288**	**-286,581**	**-422,171**	**-368,215**
Value adjustments, net				
- Securities	-1,053	-728	-1,392	-935
- Loans	732,901	214,106	969,061	275,095
- Currency and interest rate swaps	-335,398	-425,978	-443,473	-547,319
- Interest-rate options	0	0	0	0
- Currency options	8,602	859	11,374	1,103
- Other	-7,092	1,235	-9,377	1,587
Value adjustments, net	**397,960**	**-210,506**	**526,193**	**-270,469**
Total net financials	**78,672**	**-497,087**	**-104,022**	**-638,684**
Total net for derivative financial instruments	**-313,066**	**-379,349**	**-413,944**	**-487,409**

Net finance costs for 2017 are DKK 32 million higher than in 2016, and was influenced by two opposing circumstances. Inflation rate in both Denmark and Sweden was much higher in 2017, and thus revaluation of inflation-linked debt has increased. On the other hand, repayment of debt has given lower underlying interest expenses, and that has partly offset the increased revaluation of inflation-linked debt.

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Note 11
Receivables

Receivables comprise amounts owed by customers and balances with payment card companies. Payment card companies represent 13 per cent of total trade receivables at 31 December 2017. There are no major concentrations of receivables within trade receivables.

Receivables also comprise accrued interest in respect of assets and costs paid concerning subsequent financial years and also amounts owed by group enterprises and other receivables.

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Trade receivables	167,970	160,473	222,094	206,184
Group enterprises	1,450	1,293	1,918	1,661
Accrued interest, financial instruments	46,365	48,261	61,305	62,008
Prepayments	7,658	8,158	10,125	10,482
Other receivables	35	225	46	289
	223,477	**218,410**	**295,488**	**280,623**

The credit quality of trade receivables may be illustrated as follows:

Trade receivables

Amounts stated in DKK/SEK'000	TDKK 2017	TDKK 2016	TSEK 2017	TSEK 2016
Balances with payment card companies	21,389	17,814	28,281	22,887
Business customers, rated	106,100	101,653	140,288	130,609
Business customers, not rated	40,185	40,108	53,134	51,533
Private customers, rated	265	362	350	465
Private customers, not rated	31	536	41	689
	167,970	**160,473**	**222,094**	**206,184**

The split between trade receivables past due and undue trade payables is illustrated below

Trade receivables

Amounts stated in DKK/SEK'000	DKK 2016	DKK 2015	SEK 2016	SEK 2015
Balances with payment card companies	21,389	17,814	28,281	22,887
Trade receivables, neither due nor impaired	97,148	98,521	128,451	126,585
Trade receivables, past due but not impaired	49,848	44,460	65,910	57,124
Trade receivables, impaired	0	0	0	0
Provision for bad debt	-414	-321	-548	-412
	167,970	**160,473**	**222,094**	**206,184**

Age analysis of trade receivables past due but not impaired:

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Less than 1 month	49,092	44,127	64,910	56,697
1-3 months	5,852	6,013	7,737	7,726
3-6 months	-5,096	-5,679	-6,737	-7,297
6-12 months	0	0	0	0
More than 12 months	0	0	0	0
	49,848	**44,461**	**65,910**	**57,126**

Provision for bad debt is made using a standardised method based on credit quality and age. Below is a specification of the provision for bad debt.

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Provision at 1 January	321	142	412	175
Bad debt during the period	-594	-916	-785	-1,177
Bad debt exceeding provision/reversed as unused	273	774	361	995
Provision for bad debt	414	321	547	412
Foreign exchange differences	0	0	13	7
Provision at 31 December	**414**	**321**	**547**	**412**

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Note 12
Derivative financial instruments

Amounts stated in DKK'000	DKK 2017	DKK 2017	DKK 2016	DKK 2016
Financial assets and liabilities recognised at fair value in the income statement	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps	154,091	-1,624,153	163,500	-1,909,616
Currency swaps	272,123	-677,825	535,639	-458,045
Forward exchange contracts	7,050	0	19,913	-55
Interest-rate options	0	0	0	0
Currency options	0	-505	0	-5,907
Total derivative financial instruments	**433,264**	**-2,302,483**	**719,052**	**-2,373,623**

Amounts stated in SEK'000	SEK 2017	SEK 2017	SEK 2016	SEK 2016
Financial assets and liabilities recognised at fair value in the income statement	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	203,743	-2,147,499	210,073	-2,453,573
Currency swaps	359,809	-896,238	688,217	-588,520
Forward exchange contracts	9,322	0	25,585	-71
Interest-rate options	0	0	0	0
Currency options	0	-667	0	-7,590
Total derivative financial instruments	**572,874**	**-3,044,404**	**923,875**	**-3,049,754**

	DKK 2017	DKK 2017	DKK 2016	DKK 2016
Amounts stated in DKK'm	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Total derivative financial instruments	433	-2,303	719	-2,374
Accrued interest	46	-7	48	-22
Offset IAS 32	0	0	0	0
Gross value in balance sheet	**479**	**-2,310**	**767**	**-2,396**
Netting	-299	299	-579	579
Pledged securities	-148	763	-157	750
Net value in total	**32**	**-1,248**	**31**	**-1,067**

	SEK 2017	SEK 2017	SEK 2016	SEK 2016
Amounts stated in SEK'm	Assets	Liabilities	Assets	Liabilities
Total derivative financial instruments	573	-3,045	923	-3,050
Accrued interest	61	-9	62	-28
Offset IAS 32	0	0	0	0
Gross value in balance sheet	**633**	**-3,054**	**985**	**-3,078**
Netting	-395	395	-743	743
Pledged securities	-196	1,009	-202	964
Net value in total	**42**	**-1,650**	**40**	**-1,371**

Trade receivables are not included above as there are not netting and the net value equals the value in the balance sheet.

Note 13
Cash at bank and in hand

Amounts stated in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Cash at bank and in hand	77,794	1,035	102,861	1,330
Bonds	900,356	939,951	1,190,475	1,207,698
Deposits	0	0	0	0
Mortgage credit institutions	0	-383,776	0	-493,095
Cash and cash equivalents according to the cash flow statement	**978,150**	**557,210**	**1,293,336**	**715,933**

Note 14
Consortium capital

The Consortium's capital is owned 50 per cent by A/S Øresund, CVR no. 15 80 78 30, domiciled in Copenhagen, Denmark, and 50 per cent by Svensk-Danska Broförbindelsen SVEDAB AB, registration no. 556432-9083, domiciled in Malmö, Sweden. The consortium capital amount is stated in the Consortium Agreement. There are no requirements for minimum capital.

The owners prepare consolidated financial statements. However the Consortium is not fully consolidated in any of the owners' consolidated financial statements.

Please refer to Note 16, Financial risk management, for information on The Consortium's objectives, policies and procedures for capital management and to Note 17, Profitability, for additional information on the re-establishment of equity.

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Note 15
Net debt

Net debt is DKK 12,036 million, and there is an accumulated difference of DKK 1,778 million compared to the net debt at fair value. This reflects the difference between fair value and the contractual amount at mature.

Through joint and several guarantees provided by the Danish and Swedish Government, the Consortium has obtained the highest possible rating (AAA) from the credit agency of Standard & Poor's. The recognition of fair values has not been affected by the changes in the credit rating of Øresundsbro Konsortiet.

The Consortium has fulfilled all obligations in accordance with current loan agreements.

	Level 1	Level 2	Level 3
Fair value hierarchy of financial instruments, measured at fair value	**DKK million**	**DKK million**	**DKK million**
Bonds	900	0	0
Cash at bank and in hand	0	0	0
Derivative financial instruments, assets	0	433	0
Financial assets	**900**	**433**	**0**
Bond loans and amounts owed to Mortgage credit institutions	0	– 12,919	0
Derivative financial intruments, liabilities	0	– 2,303	0
Financial liabilities	**0**	**– 15,221**	**0**

During 2017 there have been no transfers between the levels.
All financial assets and liabilities are recognised and measured at fair value through profit and loss.

Net debt at 31 December 2017 divided into the following currencies (amounts in DKK'm)	EUR	DKK	SEK	Other	Net debt	Net debt translated nto SEK
Cash at bank and in hand	924.1	13.7	38.1	2.2	978.2	1,293,3
Bond loans and debt to credit institutions	-232.1	0.0	-9,951.6	-2,734.9	-12,918.6	-17,081,3
Interest rate and currency swaps	-8,662.9	-3,640.3	7,690.5	2,736.9	-1,875.8	-2,480,2
Forward exchange contracts	-610.9	-131.6	734.6	15.0	7.1	9,3
Currency options	188.2	-188.7	0.0	0.0	-0.5	-0,7
Accrued interest	-88.6	88.2	-5.1	0.0	-5.5	-7,2
	-8,482.3	**-3,858.8**	**-1,493.5**	**19.2**	**-13,815.1**	-18,266,7

Other currencies comprise: (amounts in DKK'm)	NOK	GBP	USD	JPY	Total
Cash at bank and in hand	-1.8	0.4	-0.1	0.0	2.2
Bond loans and debt to credit institutions	-1,956.8	-413.5	-48.6	-316.1	-2,734.9
Interest rate and currency swaps	1,956.8	414.4	49.0	316.7	2,736.9
Forward exchange contracts	15.0	0.0	0.0	0.0	15.0
Accrued interest	0.0	0.0	0.0	0.0	0.0
	16.8	**1.4**	**0.3**	**0.5**	**19.2**

The above items are included in the following financial statement items:	Derivative financial instruments, assets	Derivative financial instruments, debts	Total
Interest rate and currency swaps	426.2	-2,302.0	-1,875.8
Interest rate options	0.0	0.0	0.0
Forward exchange contracts	7.1	0.1	7.1
Currency options	0.0	-0.5	-0.5
	433.3	**-2,302.4**	**-1,869.2**

Accrued interest	Receivables	Other payables	Total
Loans		-45,2	-45,2
Interest rate and currency swaps	46,4	-6,7	39,7
Other derivative financial instruments			0,0
Deposits and securities			0,0
	46,4	**-51,9**	**-5,5**

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Net debt at 31 December 2016 divided into the following currencies (amounts in DKK'm)	EUR	DKK	SEK	Other	Net debt	Net debt translated into SEK
Cash at bank and in hand	944.8	-373.8	-11.7	-2.0	557.2	715.9
Bond loans and debt to credit institutions	-238.3	0.0	-11,077.6	-3,014.4	-14,330.2	-18,412.2
Interest rate and currency swaps	-10,401.4	-3,293.8	8,955.9	3,070.8	-1,668.5	-2,143.8
Forward exchange contracts	678.7	-1,507.3	848.4	0.0	19.9	25.5
Currency options	582.3	-588.2	0.0	0.0	-5.9	-7.6
Accrued interest	-88.9	70.5	-5.2	0.0	-23.6	-30.3
	-8,522.8	**-5,692.6**	**-1,290.2**	**54.4**	**-15,451.1**	**-19,852.5**

Other currencies comprise: (amounts in DKK'm)	NOK	GBP	USD	JPY	Total
Cash at bank and in hand	-2.0	0.0	0.0	0.0	-2.0
Bond loans and debt to credit institutions	-2,181.4	-424.4	-61.9	-346.7	-3,014.4
Interest rate and currency swaps	2,212.9	439.0	62.9	356.0	3,070.8
Forward exchange contracts	0.0	0.0	0.0	0.0	0.0
Accrued interest	0.0	0.0	0.0	0.0	0.0
	29.5	**14.6**	**1.0**	**9.3**	**54.4**

The above items are included in the following financial statement items:	Derivative financial instruments, assets	Derivative financial instruments, debts	Total
Interest rate and currency swaps	699.1	-2,367.7	-1,668.6
Interest rate options	0.0	0.0	0.0
Forward exchange contracts	19.9	-0.1	19.9
Currency options	0.0	-5.9	-5.9
	719.0	**-2,373.6**	**-1,654.6**

Accrued interest	Receivables	Other payables	Total
Loans		-49.7	-49.7
Interest rate and currency swaps	48.3	-22.1	26.2
Other derivative financial instruments			0.0
Deposits and securities			0.0
	48.3	**-71.8**	**-23.5**

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Note 16
Financial risk management

Financing
Øresundsbro Konsortiet's financial management is conducted within the framework determined by the Board of Directors and the guidelines from the guarantors, who, without limit, are jointly and severally liable for the Consortium (administered by the Danish Ministry of Finance and the Swedish National Debt Office, Riksgäldskontoret).

The Board of Directors determines a general financial management policy and an annual financing strategy, which regulates borrowing and liquidity for the year and establishes a framework for the Consortium's credit, foreign exchange and interest rate exposures. Financial management is also based on operational procedures adopted by the Board of Directors.

The overall objective of financial management is to achieve the lowest financial expenses possible for the project over its lifetime with due regard to an acceptable risk level acknowledged by the Board of Directors. The results of and financial risks involved in financial management are assessed on a long-term basis.

The Consortium's borrowing for 2017 and its most important financial risks are described below.

Borrowing
Øresundsbro Konsortiet has achieved the highest possible rating (AAA) from Standard and Poor's due to guaranty from the Danish and Swedish Governments, without limit, being jointly and severally liable for the Consortium. This means that the Company is able to achieve capital market terms equivalent to those available to governments.

The Consortium's financial strategy aims to achieve optimum borrowing flexibility in order to exploit developments in the capital markets. However, all loan types must meet certain criteria in order to be approved. The criteria are based on guarantors' requirements, and on internal requirements established in the Consortium's financial management policy.

Exposure for loans, including hedging, must consist of well-known and standard loan types which reduce credit risks as far as possible. The loan documentation does not contain special terms that require disclosure under IFRS 7.

In certain cases, there are advantages to borrow in currencies where the Company is not allowed to have exposure, see below. In such cases, the loans are translated through currency swaps into acceptable currencies. There is thus no direct link between the original loan currencies and the Company's currency risk.

Øresundsbro Konsortiet has established standard MTN (Medium Term Note) loan programmes directed towards two of the Consortium's most important bond markets, including a European loan programme (EMTN programme) with a maximum borrowing limit of USD 3.0 billion, of which USD 1.4 billion has been used, and a loan programme directed towards the Swedish loan market (Swedish MTN programme) with a maximum borrowing limit of SEK 10.0 billion, of which SEK 4.2 billion has been used.

In 2017, the loan requirement was covered by issuing bonds with total proceeds from loans of SEK 0.6 billion, in one transaction, maturing in 2023. The bonds were swapped into DKK with floating rate. The average spread to 6 month CIBOR was about minus 0.49 per cent. The total proceeds from these loans correspond to DKK 0.5 billion.

The volume of the Company's borrowing in any individual year largely depends on the size of repayments on loans previously raised (refinancing). In 2018, such refinancing is expected to be approximately DKK 3.5 billion on top of what is needed for the financing of any extraordinary repurchase of existing loans and purchase of bonds for collateral.

The Consortium's flexibility allows for it to maintain excess liquidity corresponding to six months' net cash outflow. This reduces the risk of borrowing at times when general loan terms in the capital market are unattractive. By year-end the liquidity reserve corresponded to four month's net cash outflow.

Financial risk exposure
Øresundsbro Konsortiet is exposed to financial risks involved in the ongoing financing of the bridge and in financial management and operating decisions, including the raising of bond loans with and borrowings from credit institutions, transactions involving financial instruments, including derivative financial instruments and placement of liquid funds for building up cash reserves, as well as trade receivables and payables resulting from operations.

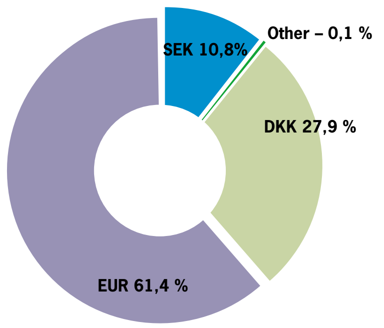
Risks relating to those instruments primarily comprise:
- Currency risks
- Interest rate risks
- Inflation risks
- Credit risks
- Liquidity risks.

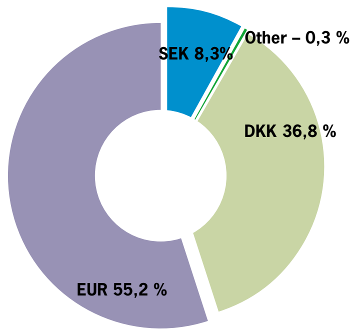
Financial risks are identified, monitored and controlled within the framework established by the Board of Directors as governed by the Company's financial policy and financial strategy, operational procedure and the guidelines drawn up by the guarantors (the Danish Ministry of Finance/Danmarks Nationalbank and the Swedish National Debt Office, Riksgäldskontoret).

Currency risks
The Consortium's currency risks relate to the part of the loan portfolio being denominated in currencies other than the base currency (DKK). The calculation of currency risks includes derivatives and cash equivalents.

Currency exposure at fair value for 2017 and 2016 stated in DKK'm

Currency	Fair value	Currency	Fair value
DKK	-3,859	DKK	-5,693
EUR	-8,482	EUR	-8,522
SEK	-1,492	SEK	-1,290
Other	19	Other	54
Total	**-13,814**	**Total**	**-15,451**





The guarantors have decided that the Consortium may only have currency exposure in DKK, SEK and EUR.

The Consortium's currency risks are managed by guidelines for the currency breakdown.

As a result of the fixed exchange rate policy for EUR and the narrow fluctuation band of +/- 2.25 per cent under the ERM2 agreement, the Consortium may freely allocate between DKK and EUR. The share of EUR of the loan portfolio will depend on the exchange rate and interest rate relationship between EUR and DKK.

SEK may represent no more than 25 per cent of net debt, whereas other currencies may involve a maximum exposure of 0.1 per cent of net debt based on cash flows.

The target for SEK exposure is a 15 per cent share, corresponding to the Consortium's financial risks, which may be calculated based on estimated income and expenses in SEK as well as the principles for determining the tolls for crossing the bridge. It should be noted that the standard toll for crossing the bridge is set in DKK and subsequently translated into SEK. Income from the railway link is also settled in DKK.

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Of net debt, EUR represents 61.4 per cent, SEK 10.8 per cent and DKK 27.9 per cent. At year-end 2017, the Consortium had net assets in other currencies corresponding to 0.1 per cent of net debt. Other currencies comprise DKK 17 million in NOK, DKK 1 million in GBP and DKK 1 million in JPY which refers to the hedging of bond loans in these currencies, with premiums/discounts in the currency swap resulting in an exposure based on fair value and with cash flows being completely hedged.

The exposure to EUR and SEK has been relatively constant during the period, and the value adjustment of foreign exchange reflects the underlying trend in the two currency crosses.

In relation to the set target, the SEK exposure has remained somewhat below the target during 2017, as a consequence of an relatively weak exchange rate. SEK was weakened further in 2017, falling 2.8 percent against DKK. The weakening of SEK against DKK has resulted in an unrealized exchange rate gain of DKK 46 million.

The Danish krone weakened 0.1 percent against EUR, and it has resulted in an unrealized exchange rate loss of DKK 15 million.

Considering the Danish stable fixed exchange rate policy, the exposure in EUR is deemed not to involve any substantial financial risk.

Overall, the Consortium received an unrealized exchange rate gain of DKK 31 million in 2017.

Foreign exchange sensitivity expressed as Value-at-Risk totaled DKK 146 million for 2017 (DKK 163 million for 2016) and expresses the maximum loss at an unfavorable development in the exchange rate within one year with a 95 per cent probability. Value-at-Risk has been calculated based on historical volatility and correlations within one year in the currencies which pose a risk to the Consortium.

Interest rate risks

The Consortium's finance cost is exposed to interest rate risks due to ongoing borrowing for the purpose of refinancing maturing debt claims, repricing floating-rate debt and managing liquidity from operations and investments. Uncertainty arises as a result of fluctuations in future and unknown market rates.

The Company's interest rate risks are actively managed through lines and limits, and the combination of such lines and limits reduces the interest rate uncertainty regarding net debt.
The following framework is used in interest rate risk management:

- The repricing risk may not exceed 45 per cent of net debt
- A target for the duration of net debt of 8.5 years (fluctuation bands 8.0-9.0 years)
- Limits for interest exposure with fluctuation bands.

Floating-rate debt or short-term debt means that interest on the loan must be adjusted within a certain period. This typically involves higher risks than long-term fixed-rate debts when the variability in current interest expenses forms the basis of the risk assessment.

By contrast, finance costs often rise in line with maturity, and the choice of debt composition is, therefore, a question of balancing interest expenses and the risk profile.

Uncertainties relating to finance costs are influenced by the composition of debt in terms of fixed-rate and floating-rate nominal debt and inflation-linked debt together with the maturity profile and currency distribution.

Øresundsbro Konsortiet's risk profile is also affected by the correlation between revenue and finance costs. As a result, a debt composition with a positive correlation between revenue and finance costs may involve lower risks when revenue and uncertainties as to assets and financial liabilities are assessed collectively. This correlation between revenue and finance costs has been clear during the latest recession following the financial crisis, where traffic growth periodically has been negative, and where the negative development in revenue has been compensated for by lower finance costs.

Typically, floating-rate debt and inflation-linked debt correlate positively with general economic growth in that a monetary policy will often react by way of interest rate rises in order to balance the economic cycle when economic growth and inflation are high – and vice versa.

The financial correlation between revenue and finance costs is the reason why a relatively large proportion of net debt is floating-rate debt. Developments regarding the primary revenue source (road fees) are particularly dependent on economic conditions. Consequently, low economic growth typically results in low traffic growth and negative developments in revenue. This performance risk may, to a certain extent, be offset by maintaining a high portion of floating-rate debt because adverse economic trends normally lead to lower interest rates, particularly at the short end of the maturity spectrum.

Fixed-rate debt may, on the other hand, serve as hedging of stagflation with low growth and high inflation, which cannot be added to the fees charged for crossing the bridge, besides isolated balancing of finance costs and repricing of risks associated with nominal debt.

Furthermore, the Consortium has a strategic interest in inflation-linked debt where finance costs comprise a fixed real interest rate plus a supplement dependent on general inflation. The reason is that the Consortium's revenue by and large can be expected to follow inflation developments as, normally, both road fees and rail revenue are indexed. Accordingly, inflation-linked debt involves a low risk and helps to hedge income and the Company's long-term project risk.

Based on the overall financial management objective – to ensure the lowest possible finance costs at the risk level accepted by the Board of Directors – the Consortium has established a strategic benchmark for interest rate exposure and nominal duration.

This benchmark serves as an overall guideline and a financial framework for debt management, and it means that the Consortium aims at an inflation-linked debt portion of 25 per cent to 45 per cent and 8.5 years of duration for nominal debt.

Maximum ranges and terms have been established for interest rate mix and duration.

There are no framework for the duration of the inflation-linked debt, though it is long term which meets the consideration of hedging the inflation risk of the operating income, this also coincides with investor preferences of longer terms. The duration of the inflation-linked debt has been adjusted to the estimated repayment period for the Consortium.

The establishment of a strategic benchmark in debt management is based on economic model calculations that estimate developments in profit or loss on the Company's assets and liabilities for a large number of relevant portfolio combinations with differences in interest rate mix and duration. When establishing a benchmark, finance costs and risks relating to income are considered.

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

The target for 2017 in terms of duration was increased from 3.5 years to 8.5 years for nominal debt. It is part of the preparation for the Consortium to adopt a dividend policy, where it is expected that dividend payments to owners will be commenced in 2018. Interest rate hedging was accordingly increased during the first half of 2017 and the nominal duration increased from 4.3 years in 2016 to 8.1 years in 2017. Interest-rate swaps with forward start-up were entered into the 10-year maturity segment for the equivalent of EUR 400 million. In addition, a 15-year real interest rate swap with a principal of DKK 500 million was transacted.

The target for 2018 in terms of the duration of nominal debt is unchanged, 8.5 years.

Long-term interest rates have been quite stable during 2017. The consortium is exposed to interest rates in DKK and EUR, and interest rates on long maturities have risen by 0.15-0.30 percentage points.The development in interest rates and inflation has affected net finance costs positively with DKK 367 million in value adjustments.

Value adjustments will not affect the company's finances and the forecast for the repayment period. Interest risk management aims to achieve the lowest possible long-term interest expenses without specifically taking into account fair value adjustments.

When calculating the fixed-interest period for net debt, nominal value (the principal) is included on

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maturity, or at the time of the next interest rate adjustment, if earlier. Thus, floating-rate debt is included in the fixed-interest period for the next accounting period and shows the repricing risk exposure of cash flows.

The Consortium uses financial instruments to adjust the distribution between floating and fixed-rate nominal debt and inflation-linked debt, primarily including interest rate and currency swaps, FRAs and interest rate guarantees.

Fixed-interest period calculated as nominal principal amounts in DKK'm 2017

Fixed-interest period	**0-1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**> 5 years**	**Nominal value**	**Fair value**
Cash at bank and in hand	595	298	0	0	0	0	893	900
Bond loans and other loans	-4,552	-1,224	-3,056	-756	-453	-1,778	-11,819	-12,964
Interest rate and currency swaps	156	703	1,683	756	453	-4,940	-1,189	-1,836
Forward exchange contracts	0	0	0	0	0	0	0	7
Other derivatives	0	0	0	0	0	0	0	0
Credit institutions	79	0	0	0	0	0	79	79
Net debt	**-3,722**	**-223**	**-1,373**	**0**	**0**	**-6,718**	**-12,036**	**-13,814**
Of this, real interest rate instruments								
Real interest rate liabilities	0	0	-629	0	0	-1,037	-1,666	-2,280
Real interest rate swaps	0	-521	0	0	0	-3,448	-3,969	-4,702
Inflation-linked instruments, total	**0**	**-521**	**-629**	**0**	**0**	**-4,485**	**-5,635**	**-6,982**

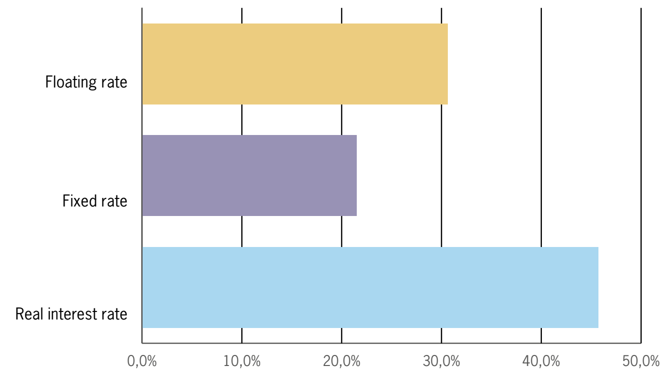
Fixed-interest period > 5 years	**5-10 years**	**10-15 years**	**15-20 years**	**> 20 years**
Net debt	-206	-2,847	-2,921	-744
Of this, real interest rate instruments	-2,254	-1,544	-687	0

Long term interest rate primarily is exposed on 10 and 15 years. Inflation-linked debt is predominantly exposed for terms of 10-20 years.

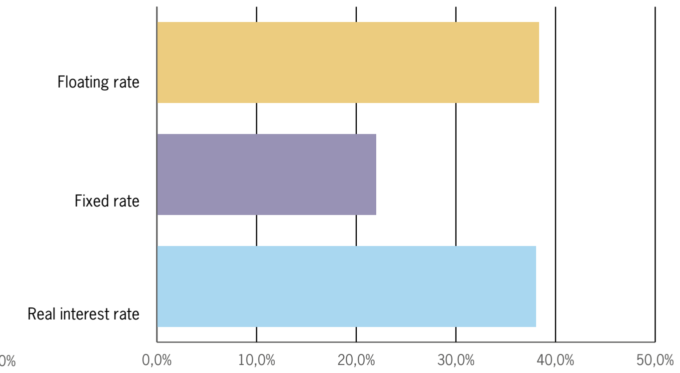
Interest rate apportionment 2017 and 2016

Interest rate apportionment 2017	Per cent	Interest rate apportionment 2016	Per cent
Floating rate	30.9	Floating rate	38.9
Fixed rate	22.3	Fixed rate	22.6
Real interest rate	46.8	Real interest rate	38.5
Total	**100.0**	**Total**	**100.0**

Interest rate exposure incl. interest rate guarantees 2017



Interest rate exposure incl. interest rate guarantees 2016



Interest exposure 2017 and 2016

Interest currency	Per cent	Interest currency	Per cent
DKK	52.8	DKK	57.6
EUR	39.8	EUR	36.0
SEK	7.4	SEK	6.4
Total	**100.0**	**Total**	**100.0**

The fixing of interest rates is distributed on an exposure of 52.8 per cent in relation to interest rates in DKK, 39.8 per cent in EUR and 7.4 per cent in SEK. As regards inflation-linked debt, 70.4 per cent is exposed vis-à-vis the Danish retail price index, and 29.6 per cent follows the Swedish KPI (consumer price) index.

Finance costs' sensitivity to an increase or decrease of 1.0 percentage point of interest rates or inflation is DKK 40 million and DKK 57 million respectively, and the effect is symmetrical as there is no optionality. With the current inflation level close to zero, the sensitivity to a change of 1.0 percentage point is assymetrical due to sold floor of EUR 60 million.

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Duration and rate sensitivity of net debt

	2017			2016		
	Duration	BPV[1]	Fair value	Duration	BPV[1]	Fair value
Nominal debt	8.1	5.6	6,832	4.3	3.8	8,854
Inflation-linked debt	8.6	6.0	6,982	8.9	6.0	6,597
Net debt	**8.4**	**11.6**	**13,814**	**6.3**	**9.8**	**15,451**

1) Basis point value (BPV) is the rate sensitivity resulting from the yield curve having been offset in parallel by 1bp

Changes in market rates affect the market value (fair value) of net debt and, in this respect, the level of impact and risk is higher for long-term fixed-interest debt. This is mainly due to the discounting effect and it offsets the alternative cost or gain relating to fixed-interest debt claims in comparison with financing at current market rates.

The duration denotes the average fixed-interest period for net debt. A long duration means a low repricing risk since repricing is necessary for a relatively small portion of net debt.

The duration also reflects the rate sensitivity of net debt calculated at market value.

The duration of the Consortium's debt totaled 8.4 years at year-end, of which 8.1 years relates to nominal debt and 8.6 years to inflation-linked debt. Rate sensitivity can be calculated at DKK 11.6 million when the yield curve is offset in parallel by 1bp. This will result in a positive fair value adjustment in the income statement and the balance sheet when the interest rate rises by 1bp and vice versa.

Rate sensitivity to a 1 percentage point change relative to the fair value adjustment can be estimated at a loss of DKK 1,258 million by an interest rate decrease and a fair value gain of DKK 1,078 million by an interest rate increase. The calculated sensitivity to interest rate changes on fair value adjustments takes into account the convexity of the debt portfolio.

The sensitivity calculations for cash flows and fair value were made on the basis of the net debt existing at the balance sheet date. The breakdown is the same in the income statement and balance sheet as a result of accounting policies, where financial assets and liabilities are recognized at fair value.

Credit risks

Credit risks are defined as the risk of losses arising as a result of a counterparty not meeting his payment obligations. The placement of excess liquidity, transactions involving financial instruments of positive market values as well as trade receivables etc. involve credit risks. See note 11 for monitoring and exposure of credit risk on trade receivables.

Credit limits for placement of excess liquidity are continuously tightened with higher requirements for rating, credit limits and maximum maturity.

Excess liquidity has been minimized as far as possible and has been placed in bank deposits with financial counterparties with a high credit rating, or in german government bonds. There have been no incidents with overdue payments or impairment as a result of credit events.

In the Company's ISDA master documentation that regulates trade in and balances on financial instruments, an explicit agreement on the netting of positive and negative balances with the counterparty is included.

Credit risks associated with financial counterparties are managed and monitored on an ongoing basis through a particular line and limit system adopted by the Board of Directors for financial policy purposes. This system determines the principles for calculating such risks and a ceiling on credit risks acceptable for an individual counterparty. The latter is measured in relation to the counterparty's lowest long-term rating made by the international credit rating agencies, Standard & Poor's (S&P), Moody's Investor Service (Moody's) or Fitch Ratings.

The intention is to diversify counterparty exposure and to reduce the risk exposure relating to financial counterparties. Financial counterparties must have high credit ratings, and agreements are only made with counterparties that have long-term ratings above A3/A-. At the end of the year, the rating requirement was lowered to BBB/Baa2, provided that a number of tightened collateral requirements were met and that the counterparty is resident in a country with a minimum AA/Aa2 rating.

Special agreements pertaining to collateral (the so-called CSA agreements) have been entered into with all counterparties on derivative financial instruments. The CSA agreements are mutual, meaning that both the Company and the counterparty has to pledge government bonds or mortgage bonds of high credit quality, when the balance is due to one of the parties. Both parties dispose pledged securities with the obligation to return yield and securities if bankruptcy does not occur.

Thus the credit exposure is efficiently reduced through a rating-dependent threshold for unhedged balances and puts heavier demands in terms of pledging securities for counterparties with low credit ratings.

Mortgage bonds pledged for security should minimum have a rating of Aa3/AA-.

The Consortium is not covered by EMIR's central clearing obligation for derivative transactions.

The credit risks involved in derivative financial instruments is concentrated og the A rating category. The solvency of the financial counterparties is considered to be intact and when considered, with securities pledged.

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Credit risk involved in financial assets (fair value) by rating category 2017

Rating	Total counterparty exposure (fair value DKK'm)			Security in DKK'm	Number of counterparties
	Placements	Derivative financial instruments without netting	Derivative financial instruments with netting		
AAA	900	0	0	0	1
AA	0	120	21	25	5
A	0	401	123	123	4
BBB	0	28	0	0	2
Total	**900**	**549**	**144**	**148**	**12**

Credit risk involved in financial assets (fair value) by rating category 2016

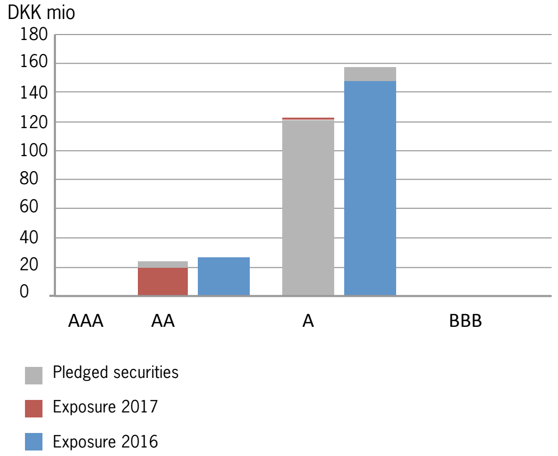
Rating	Total counterparty exposure (fair value DKK'm)			Security in DKK'm	Number of counterparties
	Placements	Derivative financial instruments without netting	Derivative financial instruments with netting		
AAA	940	0	0	0	1
AA	0	194	28	0	4
A	0	564	149	157	4
BBB	0	71	2	0	2
Total	**940**	**829**	**179**	**157**	**11**

Under IFRS, credit risk is calculated as gross exposure excluding any netting agreements with counterparties. Net exposure is a better measure of the actual credit risk of the Consortium, and the risk of credit losses is also limited by the fact that the market values of the derivatives contracts mainly favor the counterparty. Furthermore, the credit exposure is limited to the fact that fair value of the derivative financial instruments mainly are in favor of the counterparty.

The Company had 12 financial counterparties at the balance sheet date, including Germany as bond issues, while the remaining 11 counterparties relates to financial derivatives, all with Collateral agreements.

Exposure relating to counterparties with collateral agreements amounts to DKK 144 million, primarily concentrated on the A rating category, and the Consortium has received collateral for DKK 148 million.

Counterparty exposure by rating category for 2017 and 2016



Liquidity risks

Liquidity risks are defined as the risk of losses in case the counterparty will have difficulties to honor financial obligations, both from loans and derivatives.

Due to the joint and several guarantees provided by the Danish and Swedish Governments, the Consortium's liquidity risks are limited. In addition, the Company has a principle of maintaining cash resources corresponding to a maximum of six months' cash outflow.

Borrowing is evenly spread over the due dates to avoid considerable changes in refinancing for the individual periods. Unexpected liquidity effects of demands for pledged security may occur as a result of value adjustments of the Consortium's derivative transactions.

Maturity of nominal principal amounts and interest payments

Maturity	0-1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Nominal principal amounts							
Debt	-2,852	-1,602	-3,056	-1,175	-1,134	-2,000	-11,819
Derivative financial instruments, liabilities	-4,147	-1,880	-2,570	-1,339	-1,222	-1,051	-12,209
Derivative financial instruments, assets	3,727	1,784	2,435	1,183	1,142	749	11,020
Assets	595	298	0	0	0	0	893
Total	**-2,677**	**-1,400**	**-3,191**	**-1,331**	**-1,214**	**-2,302**	**-12,115**
Interest payments							
Debt	-315	-223	-253	-74	-62	-610	-1,537
Derivative financial instruments, liabilities	-216	-216	-175	-144	-129	-537	-1,417
Derivative financial instruments, assets	266	170	155	41	28	240	900
Assets	0	0	0	0	0	0	0
Total	**-265**	**-269**	**-273**	**-177**	**-163**	**-907**	**-2,054**

The calculation of liquidity developments includes debt, payables and receivables relating to derivative financial instruments as well as financial assets, and nominal principal amounts are included on maturity. Interest payments are included in accordance with the agreed terms and conditions, and implicit forward rates and inflation form the basis of variable interest payments and inflation-linked revaluation. Instalments, principal amounts and interest payments are calculated on actual net debt, and neither refinancing nor cash flows from operating activities have been included, see IFRS 7.

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Note 17
Profitability

Øresundsbro Konsortiet's debt is to be repaid through revenue from the road and rail links.

The profitability calculations are based on an assumption-based long-term real interest rate of 3.0 percent. It was most recently lowered from 3.5 per cent in the calculations up to year-end 2014. The Consortium assesses that the estimate of real interest rates in assessing the long-term economy is conservative. This not least because current market rates are significantly lower than the interest rate used in the profitability calculations.

Real interest rate assumption is part of the interest on the refinancing of the consortium's debt portfolio and the floating rate debt, while the fixed interest period are projected using the current interest rates. Upon the return of the floating rate debt this is based on a swing of 3 years from the current level of market interest rates up to real interest rate assumption, i.e. that real interest rate will increase linear to 3.0 per cent in 2021.

In 2016 the consortium has revised the long-term traffic forecast until 2030. This have led to an adjustment of the expected traffic growth in the period until the year 2030, so that the annual traffic growth is now expected to be 2.8 per cent p.a. compared to the previous 3.3 per cent. In 2017 the traffic growth was 1.7 percent, which was 0.5 per cent below the forecast. The key matter is income from the road link, that increased by 4.4 percent, which was marginally better than the forecast. Traffic forecasts over such a long time horizon as the repayment period extends, will of course be subject to uncertainty but the estimate of the traffic development is considered to be conservative. In connection with budgeting for 2018 the traffic forecast was updated with new estimates of demographic trends and macroeconomic indicators. This, however, did not result in any adjustments of the long-term traffic forecast.

The Consortium expects that its debt may be repaid approximately 33 years after the opening of the fixed link. This is one year earlier than last year's forecast. The improvement is attributable to lower financing costs and recognition of efficiency improvements to operations and maintenance, cf. the objective of the business plan until 2021.

The Øresund fixed link's land works were performed and financed by A/S Øresund (Denmark) and SVEDAB AB (Sweden), Øresundsbro Konsortiet's owner companies, which each hold a 50 per cent stake in Øresundsbro Konsortiet. As revenue is generated almost exclusively by Øresundsbro Konsortiet, the Consortium must pay dividend to the owner companies in order to ensure repayment for the land works.

The repayment period for the Consortium's debt assumes dividend payments in accordance with the general guidelines laid down in the Consortium Agreement between the two owner companies. The equity of the Consortium became positive in 2016 and the Board of Directors proposes dividend to the owner companies in 2018 with DKK 1,070 million.

Changes to the calculation assumptions will impact on the profitability of Øresundsbro Konsortiet and of the owner companies. For more details on the repayment period for land works, please refer to the description in the respective owner companies' annual reports.

Note 18
Trade and other payables

Amounts stated in DKK/SEK'000	TDKK 2017	TDKK 2016	TSEK 2017	TSEK 2016
Trade payables	50,740	58,056	67,090	74,593
Owners	1,268	1,391	1,677	1,787
Other payables	52,228	54,729	69,057	70,319
Accrued interest, financial instruments	51,929	71,846	68,662	92,311
Deposits	13,905	14,612	18,385	18,774
Prepaid trips	1,544	1,526	2,042	1,961
Other prepaid costs	619	624	818	802
	172,233	**202,784**	**227,731**	**260,547**

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Note 19

Remuneration and emoluments to the Board of Management and the Board of Directors

Principles

Remuneration to the Chairman and the Vice-Chairman and the other members of the Board of Directors is decided by the general meeting of shareholders. Up until the next general meeting, remuneration totals DKK 1.3 million, of which DKK 0.267 million is paid to the Chairman and the Vice-Chairman, respectively, and the residual amount is divided equally among the other Board members. Emoluments to the CEO and the other members of top management consist of fixed salaries. Top management consists of five persons, who make up the Board of Management together with the CEO.

It has been proposed that the principles for remunerating the CEO and top management remain unchanged for 2018.

No incentive programmes or bonus schemes exist for the CEO, the Board of Management, or the Board of Directors. Pension obligations to the CEO and top management are covered by the same pension plan as the one covering other employees. No pension obligations to the Board members exist.

Severance pay

An agreement has been concluded for the payment of severance pay to the CEO and top management in the event of their termination by the Company. The severance pay corresponds to twelve months' salary excluding any salary or other income earned during this period.

Establishing and decision-making process

No committee has been set up to determine the size of emoluments to be paid to the CEO and the other top management members. Emolument to the CEO is determined by the Board of Directors. Emoluments to the other top management members are determined by the CEO after consultation with the Chairman and the Vice-Chairman of the Board of Directors.

Remuneration and emoluments

Amounts in DKK/SEK'000

2017	**Fixed salary**	**Pension contribution**	**Other**	**Total**
Caroline Ullman-Hammer	DKK 1,575/SEK 2,082	DKK 836/SEK 1,105	0	DKK 2,411/SEK 3,187
Kaj V. Holm	DKK 1,628/SEK 2,153	DKK 163/SEK 215	0	DKK 1,791/SEK 2,368
Registrered Directors	**DKK 3,203/SEK 4,235**	**DKK 999/SEK 1,320**	**0**	**DKK 4,202/SEK 5,555**
Other top management members (4 persons)	DKK 4,032/SEK 5,331	DKK 1.042/SEK 1.378	0	DKK 5.074/SEK 6.709
Total Management Board	**DKK 7,235/SEK 9,566**	**DKK 2,041/SEK 2,698**	**0**	**DKK 9,276/SEK 12,264**
2016				
Caroline Ullman-Hammer	DKK 1,564/SEK 2,010	DKK 714/SEK 917	0	DKK 2,278/SEK 2,927
Kaj V. Holm	DKK 1,645/SEK 2,114	DKK 165/SEK 211	0	DKK 1,810/SEK 2,325
Registrered Directors	**DKK 3,209/SEK 4,124**	**DKK 879/SEK 1,128**	**0**	**DKK 4,088/SEK 5,252**
Other top management members (4 persons)	DKK 4,231/SEK 5,437	DKK 990/SEK 1,271	0	DKK 5,221/SEK 6,708
Total Management Board	**DKK 7,440/SEK 9,561**	**DKK 1,869/SEK 2,399**	**0**	**DKK 9,309/SEK 11,960**

Remuneraton to the Board of Directors	**2017**	**Remuneraton to the Board of Directors**	**2016**
Bo Lundgren, chairman	267	Bo Lundgren, chairman (from 27 April)	223
		Henning Kruse Petersen, chairman (until 27 April)	89
Peter Frederiksen, vice chairman (from 24 April)	0		
David P. Meyer, vice chairman (until 24 April	78	David P. Meyer, vice chairman (from 27 April)	178
		Lena Erixon, vice chairman (until 4 March)	44
Lars Erik Fredriksson	0	Lars Erik Fredriksson	0
Claus Jensen	134	Claus Jensen	134
Mikkel Hemmingsen (from 24 April)	0		
Kerstin Hessius	134	Kerstin Hessius	134
Carsten Koch (until 24 April)	44	Carsten Koch	134
Jan Olson	134	Jan Olson	134
Jørn Tolstrup Rohde (from 24 April)	89		
Pernille Sams (until 24 April)	44	Pernille Sams	134
Total, DKK	**924**	**Total, DKK**	**1,204**

Composition of the Board of Directors and Board of Management in terms of men and women

	Men	**Women**	**Total**
Board of Directors	7	1	8
CEO and Board of Management	4	2	6

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Note 20
Working capital changes

Amounts in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Receivables and prepayments	-6,963	-30,815	-9,207	-39,593
Trade and other payables	-10,634	1,765	-14,061	2,268
	-17,597	**-29,050**	**-23,268**	**-37,325**

Note 21
Disposal of property, plant and equipment

Amounts in DKK/SEK'000	DKK 2017	DKK 2016	SEK 2017	SEK 2016
Carrying amount	2,176	3,697	2,877	4,750
Gain/loss on disposal	-2,149	-3,697	-2,841	-4,750
Cash flows from the disposal of property, plant and equipment	**27**	**0**	**36**	**0**

Note 22
Cash flow from financing activities – reconciliation of shifts in interest-bearing net debt

Shifts in net debt are reconciled by cash flows and movements without liquidity effect, cf. IAS7.

	Current liabilities	Non-current liabilities	Derivative financial instruments, assets	Derivative financial instruments, liabilities	Total
Net debt 2016	**-1,169**	**-13,162**	**719**	**-2,374**	**-15,985**
Cash flow	1,159	-151	-203	319	1,125
Interest paid - reversed	-7	-315	208	-175	-290
Reduction of liabilities	0	30	-18	9	21
Inflation-linked revaluation	0	-28	-18	-18	-65
Value adjustment, foreign-exchange effect, net	8	475	-195	-250	37
Value-adjustment, fair value effect, net	11	230	-144	272	369
Transfer at the beginning/end of the year	-2,918	2,918	85	-85	0
Net debt 2017	**-2,916**	**-10,003**	**433**	**-2,303**	**-14,788**

Note 23
Contractual obligations and security

The Company's contractual obligations consist of concluded operating and maintenance contracts expiring in 2028 at the latest. These contracts total DKK 150.6 million/SEK 199.1 million net. The obligation remaining at year-end is DKK 84.2 million/SEK 111.3 million.
The Consortium has also concluded a number of operating leases of less importance, and the Consortium is to pay an annual amount of SEK 70 thousand to Fiskeriverket.

Øresundsbro Konsortiet has entered into special agreements (the so-called CSA agreements) with a number of financial counterparties. The CSA agreements are mutual, meaning that both the Company and the counterparty may have to provide bonds as security for derivatives contract balances due to the counterparty. At year-end, security had been provided for DKK 763 million as security on derivative financial instruments with three financial counterparties in their favor.

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Note 24
Related parties

Related parties	Registered	Affiliation	Transactions	Pricing
The Danish Government		100 % ownership of Sund & Bælt Holding A/S	Guarantees loans and financial instruments employed by the Consortium	By law
Companies and institutions owned by the Danish Government:				
Sund & Bælt Holding A/S	Copenhagen	100 % ownership of A/S Øresund. Partly common board members. Common CFO	Purchase/sale of consultancy services	Market value
A/S Storebælt	Copenhagen	Group enterprise. Partly common board members	Purchase/sale of consultancy services	Market value
A/S Øresund	Copenhagen	50 % ownership of Øresundsbro Konsortiet. Partly common board members	Purchase/sale of consultancy services	Market value
Sund & Bælt Partner A/S	Copenhagen	Group enterprise. Partly common board members	Purchase/sale of consultancy services	Market value
BroBizz A/S	Copenhagen	Group enterprise	Purchase/sale of consultancy services	Market value
Femern A/S	Copenhagen	Group enterprise. Partly common board members	Purchase/sale of consultancy services	Market value
A/S Femern Landanlæg	Copenhagen	Group enterprise. Partly common board members	Purchase/sale of consultancy services	Market value
Banedanmark	Copenhagen	Owned by the Danish Government	Payment for use of the railway link	Government agreement
The Swedish Government		100 % ownership of Svensk-Danska Broförbindelsen SVEDAB AB	Guarantees loans and financial instruments employed by the Consortium	Decision by the swedish parliament. No commission
Companies and institutions owned by the Swedish Government:				
Svensk-Danska Broförbindelsen SVEDAB AB	Malmö	50 % ownership of Øresundsbro Konsortiet.	Operation and maintenance of railway in Lernacken	Market value
Trafikverket	Borlänge	Part of the Swedish state	Payment for use of the railway link	Market value
Infranord AB	Solna	Owned by the Swedish Government	Maintenance railway	Market value

Amounts stated in DKK/SEK'000

Income	Transactions	Amount 2017	Amount 2016	Balance as at 31 Dec. 2017	Balance as at 31 Dec. 2016
Members					
A/S Øresund	Consultancy	1,398	1,783	0	15
Svedab	Maintenance	255	255	78	77
Total members		**1,653**	**2,038**	**78**	**92**
Group enterprises					
Sund & Bælt Holding A/S	Consultancy	534	485	46	50
A/S Storebælt	Consultancy	4,904	5,628	330	188
Sund & Bælt Partner A/S	Consultancy	3,971	3,939	1,226	1.221
BroBizz A/S	Consultancy	152	206	0	45
Femern A/S	Consultancy	559	956	0	0
A/S Femern Landanlæg	Consultancy	631	235	0	0
Banedanmark	Use of rail link	250,822	248,571	26,127	25.892
Trafikverket	Use of rail link	250,822	248,300	21,015	20.828
Trafikverket	Lease of fiber optics	235	341	0	0
Total group enterprises		**512,630**	**508,661**	**48,744**	**48,224**

Costs	Transactions	Amount 2017	Amount 2016	Balance as at 31 Dec. 2017	Balance as at 31 Dec. 2016
Members					
A/S Øresund	Maintenance	0	0	0	0
Svedab	Payroll tax in Sweden	1,346	1,469	-1,346	-1.469
Total members		**1,346**	**1,469**	**-1,346**	**-1.469**
Group enterprises					
Sund & Bælt Holding A/S	Consultancy	0	0	0	0
Sund & Bælt Holding A/S	Office lease	8,203	7,925	-152	-1
A/S Storebælt	Consultancy	0	0	0	0
Sund & Bælt Partner A/S		0	0	0	0
BroBizz A/S	Toll service provider	4,766	5,537	0	-225
Femern A/S	Consultancy	0	19	0	0
A/S Femern Landanlæg		0	0	0	0
Banedanmark		0	0	0	0
Infranord AB	Maintenance	8,578	8,684	-1,379	-747
Total group enterprises		**21,547**	**22,165**	**-1,531**	**-973**

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Note 25
Events after the year-end closing

There have been no significant events after the year-end closing.

Note 26
Approval of annual report for publishing

The Board of Directors has at the Board meeting on 31 January 2018 approved this annual report for publishing. The annual report will be presented to the owners for approval at the annual general meeting on 26 April 2018.

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Statement by the Board of Management and the Board of Directors

The Board of Management and the Board of Directors have today discussed and approved the annual report for 2017 of Øresundsbro Konsortiet.

The annual report has been prepared in accordance with the Consortium Agreement, International Financial Reporting Standards as adopted by the EU and additional Danish and Swedish disclosure requirements for annual reports of companies with listed debt instruments. We consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of Øresundsbro Konsortiet's financial position at 31 December 2017 and of the results of Øresundsbro Konsortiet's operations and cash flows for the financial year 1 January to 31 December 2017.

We consider the Management's review to give a true and fair view of Øresundsbro Konsortiet's operations and financial position, and a true and fair view of the most important risks and uncertainties for the Consortium.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 January 2018

Board of Management

Caroline Ullman-Hammer
Chief Executive Officer

Kaj V. Holm
Vice Chief Executive Officer

Board of Directors

Bo Lundgren
Chairman

Peter Frederiksen
Vice chairman

Lars Erik Fredriksson

Mikkel Hemmingsen

Kerstin Hessius

Claus Jensen

Jan Olson

Jørn Tolstrup Rohde

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Independent auditors' report

To the shareholders of Øresundsbro Konsortiet I/S

Our opinion
In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is in accordance with our audit protocol to the Audit Committee and the Board of Directors.

What we have audited
Øresundsbro Konsortiet I/S' Financial Statements for the financial year 1 January to 31 December 2017 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including summary of significant accounting policies ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark and Sweden. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence
We are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Denmark and Sweden. We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

In our best conviction, no prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 have been performed.

Choice
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab in Denmark was first selected as auditor of Øresundsbro Konsortiet I/S on April 27, 2016, and PricewaterhouseCoopers AB in Sweden was first appointed auditor on January 27, 1992. Authorised Public Accountant Carl Fogelberg carries out the audit on behalf of PricewaterhouseCoopers AB.

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab and PricewaterhouseCoopers AB have been re-elected annually by a joint decision in a coherent term of 2 years and 26 years respectively through the 2017 financial year, which is 23 years since the Øresundsbro Consortium's bonds were admitted to trading on a listed marketplace.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the Key Audit Matter
Measurement of loans and derivative financial instruments at fair value In connection with the construction of the Øresund Link, Øresundsbro Konsortiet (the Consortium) has raised loans in the international capital markets. The Consortium is complying with several sets of rules relating to the loans and related derivatives, such as the state owners' guidelines for granting of the loans and the derivative financial instruments as well as the Consortium's own internal guidelines. These rules regulate which loans and derivative financial instruments may be used by the Consortium. For accounting purposes, the Consortium applies the so-called fair value option, which implies that all loans and financial instruments are measured at fair value. The unrealised fair value adjustments are recognised in the income statement and may represent a material amount. However, this profit/loss effect has no impact on cash flows and the long-term repayment period of the loans. The fair value measurement models are complex and primarily based on objective data; however, the Consortium may apply alternative measurement models if they result in a fairer measurement. We focused on the measurement of loans and derivative financial instruments as Management makes significant estimates due to limited observable data being available as a measurement basis. See notes 1, 12, 15 and 16.	We assessed and tested the design as well as the operational efficiency of relevant internal controls concerning collection of the market data forming the basis of the calculation of the fair values. We moreover tested the controls established to ensure relevant, recognised measurement models. On a sample basis, we tested that the underlying agreements on loans and derivative financial instruments had been registered by the Consortium. As regards derivative financial instruments, we reviewed controls concerning checking of the fair values applied to fair values indicated by external party. We recalculated the fair value of a sample of loans and derivative financial instruments by applying alternative models.

Statement on Management's Review
Management is responsible for Management's Review.
Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Statements Act.
Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review

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 International Financial Reporting Standards as adopted by the EU and further requirements in 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.
In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
- Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark and Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark and Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hellerup, 31 January 2018

This is a translation of the formal auditor's report, which is written in Danish, for exact formulations and references, reference is made to the Danish Auditor's Reportn

Christian Fredensborg Jakobsen
State Authorised Public Accountant

Jens Otto Damgaard
State Authorised Public Accountant

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Financial glossary

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

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

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

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

Cap hedge
Hedging of significant interest rate rises on floating-rate debt against payment of a premium. This is done as an alternative to entering a fixed rate for the entire loan period.

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

AAA or AA rating
International credit rating agencies rate companies according to their creditworthiness. Companies are usually rated with a short and a long rating expressing the company's ability to settle its liabilities in the short term and the long term, respectively. Ratings follow a scale, with AAA being the best rating, AA the second best rating, etc. The Danish and the Swedish Governments, which guarantee the commitments of Øresundsbro Konsortiet, have the highest credit rating; AAA. The largest credit rating agencies are Moody's and Standard & Poor's.

Real interest rate
The nominal interest rate less inflation

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