

Thomas Cook Airlines Scandinavia A/S
CVR no. 13 89 69 09

Annual report 2014/15

Financial year 1 October 2014 to 30 September 2015

26th financial year

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Company information

Company

Thomas Cook Airlines Scandinavia A/S

CVR no.: 13 89 69 09

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Board of Directors

Christoph Debus, chairman

Lars Magnus Wikner

Torben Østergaard Andersen

Gitte Pia Michelsen, staff-elected

Lars Røstad, staff-elected

Executive Board

Torben Østergaard Andersen, CEO

Bent Erlandsen

Jens Elm Nielsen

Auditors

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Approved by the annual general meeting of the Company on

5/2-2016

Chairman of the meeting



Torben Østergaard Andersen

Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of Thomas Cook Airlines Scandinavia A/S for the financial year 1 October 2014 to 30 September 2015.

The annual report has been prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies selected appropriate and the accounting estimates sound.

In our opinion, the financial statements give a fair presentation of the Company's assets, liabilities and financial position as at 30 September 2015 and of the results of the Company's activities for the period 1 October 2014 to 30 September 2015.

In our opinion, the Management's review provides a fair presentation of the developments in the Company's activities and finances, the net profit or loss for the year and the Company's financial position.

We recommend the annual report for approval by the annual general meeting.

Tårnby, January 27 2016

Executive Board



Torben Østergaard Andersen
CEO



Bent Erlandsen



Jens Elm Nielsen

Board of Directors

Christoph Debus
Chairman



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Tårnby, January 27 2016

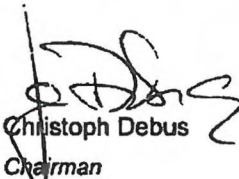
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Chairman


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Lars Røstad

Independent Auditor's Report

To the Shareholders of Thomas Cook Airlines Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of Thomas Cook Airlines Scandinavia A/S for the financial year 1 October 2014 – 30 September 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

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

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2015 and of the results of the Company operations for the financial year 1 October 2014 - 30 September 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

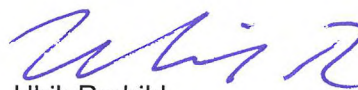
Copenhagen, 27 January 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab



Bo Schou-Jacobsen
State Authorised Public Accountant



Ulrik Ræbild
State Authorised Public Accountant

Management's review

Financial highlights

Seen over a period of five years, the Company's development can be described by these financial highlights:

| All amounts in DKK '000.000 | 2014/15 | 2013/14 | 2012/13 | 2011/12 | 2010/11 |
|--|---------|---------|---------|---------|---------|
| Key Figures | | | | | |
| Results | | | | | |
| Revenue | 4.147 | 4.386 | 4.460 | 4.288 | 3.728 |
| Gross Profit | 996 | 1.070 | 1.060 | 981 | 841 |
| Operating Profit | 168 | 242 | 99 | 229 | 171 |
| Results from net financials | -3 | -2 | 0 | 5 | 8 |
| Net profit before tax | 165 | 240 | 99 | 234 | 179 |
| Net profit for the year | 123 | 180 | 70 | 176 | 143 |
| Balance sheet | | | | | |
| Equity | 263 | 299 | 200 | 155 | 281 |
| Balance sheet total | 1.803 | 1.502 | 1.637 | 1.711 | 1.501 |
| Cash Flows | | | | | |
| Investments in tangible and intangible fixed assets, net | 397 | 102 | -141 | 271 | 101 |
| Other financial ratios | | | | | |
| Staff (Full-time) | 1.060 | 1.043 | 1.063 | 1.062 | 936 |
| Aircraft | 13 | 12 | 12 | 12 | 11 |
| Passengers (1.000), one-way | 2.399 | 2.377 | 2.405 | 2.437 | 2.243 |
| Cabin factor (%) | 93 | 92 | 93 | 93 | 93 |
| Number of flying hours (Block hours) | 49.867 | 51.730 | 52.656 | 53.753 | 50.110 |
| Financial ratios % | | | | | |
| Gross margin | 24 | 24 | 24 | 23 | 23 |
| Profit margin | 4 | 6 | 2 | 5 | 5 |
| Solvency ratio | 15 | 20 | 12 | 9 | 19 |
| Return on equity | 48 | 82 | 45 | 105 | 63 |

For definitions, see the paragraph 'Accounting policies'.

Management's review

Principal activity

The Company's principal activity consists of transporting charter passengers and selling duty-free and non-duty-free goods on board. The major part of the Company's revenue consists of sales to group enterprises.

The Company is a wholly-owned Company in the Thomas Cook Northern Europe Group. Thomas Cook Northern Europe is ultimately owned by the listed British Company Thomas Cook Group plc.

Developments in activities and finances

In the financial year, the Company transported 2,399,410 one-way passengers to and from Sweden, Norway, Denmark and Finland, which is a year-on-year increase of 1.0 percent.

During winter 2014/15 six new Airbus A321 aircraft entered the fleet replacing four Airbus A321 and two Airbus A320 aircraft which were either returned to lessors or subleased out. Similar to previous years the Company leased three aircraft from the British affiliated Company in order to meet the production demand during the winter season. In total the Company operated up to 14 aircraft during the winter season and 11 aircraft in the summer.

At the financial year-end the Company's fleet included three Airbus A330 and eight Airbus A321. Due to the fleet rollover the average fleet size for the year increased slightly to thirteen aircraft (2013/14: 12). In August the lease agreement for one A330 aircraft expired and the Company renewed the lease agreement for 10 years. Due to the lease agreement running for the expected remaining economic lifetime of the aircraft, the agreement has been deemed a finance lease contract and the aircraft is being accounted for as an owned asset. Following the change from operating to finance lease accounting, provisions for heavy maintenance was released to the income statement and improved the result before tax with net DKK 43 million. All other aircraft were subject to operating lease agreements. As at 30 September 2015 the fleet age averaged seven years. The Company has during the last 15 months refurbished the cabins in the operated wide body and existing narrow body fleet, why the fleet now consists of either brand new A321 aircraft or cabin refurbished aircraft. Customer satisfaction scores are increasing due to the improved product

In January 2010 the Thomas Cook Group concluded a purchase agreement with the aircraft manufacturer Airbus, whereby Thomas Cook Airlines Scandinavia A/S is the Group's contracting party. The agreement with Airbus included an order of twelve Airbus A321 aircraft as well as call options for additional aircraft of the types A320 and A321. The Company has been provided with a guarantee by its ultimate parent, Thomas Cook Group plc, on potential losses related to aircraft that will not be operated by the Company itself. In spring 2013 the purchase obligation for six of the twelve above-mentioned aircraft was transferred to a third party and in 2014 the obligation of two further aircraft was taken over by an external lease provider. In summer 2015 the Company entered

agreements with two external leasing providers for the remaining four aircraft due for delivery in 2016. The coming lessors for these four aircraft will take title to the aircraft at delivery.

The remaining prepayments of DKK 305 million are partly financed by the Company and partly with a loan of USD 24 million from one of the future lessors.

As described in the paragraph 'Financial risks', the Company uses financial hedging instruments to eliminate the risks arising from fluctuations in the major currencies and in fuel prices. The value of the financial contracts concluded on 30 September 2015 measured against the market prices on the same date is negative by DKK 23.2 million net (positive DKK 165 million at year-end 2013/14). The income statement shows a pre-tax profit of DKK 165.0 million. The Board of Directors considers the results satisfactory. The post-tax results show a profit of DKK 122.8 million. The expected development announced in the annual report 2013/14 has thus come true.

Uncertainty connected with recognition and measurement

Provisions for future aircraft maintenance as at 30 September 2015 have been calculated to DKK 297.5 million. This amount covers contractual maintenance liabilities related to leased aircraft and engines, accrued on the basis of flight hours etc.

In the financial year the Company has had financial contracts on an ongoing basis in order to eliminate the currency risk of the provision, and therefore the net profit or loss of the year is not affected materially by the change for the year in the USD exchange rate.

Special risks

Operating risks

The Management does not consider Thomas Cook Airlines Scandinavia A/S to be exposed to special operating risks.

Financial risks

Thomas Cook Airlines Scandinavia A/S has a large cash flow in foreign currencies. The Company hedges this net exposure by making forward contracts. Similarly the risk of fuel price fluctuations is hedged by financial commodity contracts (fuel swaps). Contracts to hedge future cash flows and fuel purchases are recognised directly in equity until the underlying transactions are realised.

Changes in fuel prices and the USD exchange rate are adjusted in the seat prices and have no significant effect on the net profit or loss of the year if USD and fuel are hedged at a price level corresponding to the conditions agreed in the seat prices.

Environmental issues

The environmental management system of Thomas Cook Airlines Scandinavia A/S is audited, approved and certified according to the ISO 14001 guidelines.

The system is based on the Company's many years of environmental work experience and continues to support a focus on improvements in fuel consumption, waste management, materials and product selection, energy consumption in administration, as well as information and training of staff in an enterprise-related environment. The Company is industry leader in several environmental areas. E.g. the average CO₂ emission per passenger km is only 65 grams in 2014/15, which is about half of the emission of the average airliner in the entire aviation industry. The Company was also the first airline business in Europe to introduce cabin waste segregation directly on board the aircraft back in 2003, and continues to be among the market leaders in this field. The environmental management system also helps the Company to supply the environmentally adjusted products, demanded by a growing number of conscious customers.

From 1 January 2012, the aviation sector became subject to the EU emissions trading system, also known as EU ETS. The Company's registration and reporting methods have been approved by the authorities, and the system is verified annually by an independent auditor. Basic data are reported for each of the current years including 2013. The data reports serve as the basis for the free greenhouse gas emissions allowances allocated to the Company on an ongoing basis. In 2015 the European industry sectors will be subject to yet another EU Energy Efficiency Directive which aims to further reduce energy consumption and greenhouse gas emissions. The Company is on track and will meet the requirements before the implementation deadline.

Corporate social responsibility

The status of the Company's aggregate corporate social responsibility (CSR) is reported jointly with the Group's ultimate parent, Thomas Cook Group plc, and can be found on the Group's website, <http://www.thomascookgroup.com/sustainability/sustainability-report-2014/>. It recognises the UN Guiding Principles on Business and Human Rights and is aligned with the UN Global Compact.

It is the Company's target to increase the number of women (the underrepresented gender) in the Board of Directors from currently none to one before the end of 2017. Further a policy has been implemented in order to increase the share of the underrepresented gender among the employed managers. The policy has four strategies which have impact on talent development, recruitment, succession planning and communication. The policy has shown no significant change during the past year. The main reason for this is that the Company has undergone changes with regards to the managerial structure.

Events occurring after the financial year-end

From the balance sheet date until today, there have been no events of material significance for the assessment of the annual report.

Expected development

The holiday travel market in the Nordic countries continues to be characterised by intense competition and declining selling prices as a consequence of a more transparent travel market and the increased supply of seats from low-cost airlines. However, the Group's travel agencies aim to retain at least their market shares, and the Company therefore intends to maintain its capacity in 2015/16. The increased competition means a pressure on the Company's current selling prices, which we believe we can mitigate to a large extent with cost reductions and synergies from working together with the other Airlines in Thomas Cook Group. Therefore we expect results for 2015/16 of the same magnitude as realised in 2014/15.

Foreign branches

The Company has the following foreign branches:

| <u>Name</u> | <u>Registered office</u> |
|--|---|
| Thomas Cook Airlines Scandinavia A/S filial Sverige | Box 5, S-190 45 Stockholm-Arlanda, Sweden |
| Thomas Cook Airlines Scandinavia A/S filial Norge | Flyterminalen, 2060 Gardermoen, Norway |
| Thomas Cook Airlines Scandinavia A/S Sucursal en España | Aeropuerto de Palma de Mallorca, Palma de Mallorca, Spain |
| Thomas Cook Airlines Scandinavia A/S Sucursal em Portugal | Praca Marques de Pombal 1, 1250-160 Lisbon, Portugal |

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act on Reporting Class C (large) and according to the same accounting policies as the previous year.

In accordance with section 86 (4) of the Danish Financial Statement Act no cash flow statement has been prepared, whereas this is included in a cash flow statement for Thomas Cook Plc Group.

With effect from 1 October 2014, Management has changed its estimate of certain aircraft spare parts expected useful lives (prolonged the useful life), as well some inventories are now recognised as assets until utilization instead as charging the inventories directly to the profit and loss statement when incurred. The total effect of the changed estimates in the financial year 2014/15 positively affects profit before tax by DKK 26 million.

The annual report is presented in Danish kroner (DKK) 1,000.

General information on recognition and measurement

Assets are recognised in the balance sheet if it is probable that future economic benefits will flow to the Company and the value of the relevant asset can be measured reliably.

Liabilities are recognised in the balance sheet if the Company has a legal or constructive obligation arising from a past event and it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is performed as described for each separate item below.

On recognition and measurement, allowance is made for foreseeable risks and losses arising before presentation of the annual report which confirm or rebut conditions existing on the balance sheet date.

In the income statement, income is recognised as earned, while costs are recognised as the expenses concerning the financial year.

Leasing

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate.

Accounting policies

Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Foreign currency translation

Transactions in foreign currencies are translated on initial recognition at the exchange rate prevailing at the transaction date. Receivables, liabilities other than provisions, provisions and other monetary items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rate prevailing at the balance sheet date. Currency translation differences arising between the exchange rate prevailing at the transaction date and the exchange rate prevailing at the payment date or the exchange rate prevailing at the balance sheet date are recognised in the income statement as external expenses. The effect of forward contracts is recognised in profit or loss from ordinary activities. Fixed assets purchased in foreign currencies are translated at historical exchange rates.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognised in other receivables or other payables.

Changes in the fair value of derivative financial instruments that are classified as and meet the requirements for fair value hedging of a recognised asset or a recognised liability are recognised in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are classified as and meet the requirements for hedging of future transactions are recognised directly in equity. When the hedged transactions are realised, the changes are recognised in the relevant items.

Accounting policies

Income statement

Revenue

Income from the sale of seats is recognised in the income statement on the departure date. Income from the sale of duty-free and non-duty-free goods is recognised in the income statement on the delivery date. Revenue is recognised exclusive of VAT, taxes and sales discounts and is measured at fair value of the fixed consideration.

External expenses

External expenses include direct and indirect costs incurred in achieving the revenue.

Staff costs

Staff costs include salaries, pensions and other social security costs of all employees of the Company and its branches.

Financials

Interest income and expenses comprise, finance leases and realised and unrealised foreign exchange adjustments.

Taxation

Tax for the year, which includes the current group tax contribution for the year, taxes in the Portuguese branch and changes in deferred tax, is recognised in the income statement by the portion attributable to the net profit or loss for the year and directly to equity by the portion attributable to entries directly to equity.

Current tax liabilities or current tax receivables are recognised in the balance sheet as tax calculated on the taxable income for the year adjusted for tax paid on account. Group tax contributions payable are recognised in joint taxation contribution payable.

Deferred tax is recognised and measured according to the balance-sheet liability method of all temporary differences between the carrying amount of an asset or a liability and its tax base. The tax base of the assets is calculated based on the planned utilisation of the individual asset.

Deferred tax assets including the tax base of tax losses allowed for carry-forward are recognised in the balance sheet at the value at which the relevant asset is expected to be realised either by a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

The Company is taxed jointly with other Danish companies in the Group, and the income tax is allocated to the jointly taxed companies according to the full allocation method.

Balance sheet

Intangible fixed assets

Software is recognised at acquisition cost less accumulated depreciation. Depreciation is provided on a straight-line basis over four years maximum.

Tangible fixed assets

Tangible fixed assets are recognised at acquisition cost less accumulated depreciation and write-downs. Ongoing investments are not depreciated. The acquisition cost consists of the cost without interest added.

Buildings on leased sites are depreciated on a straight-line basis over the expected economic life, but not exceeding expiry of the guaranteed lease term for the site. Installations are depreciated over fifteen years, always provided that the installations will be completely depreciated at the same time as the building.

Operating equipment and fixtures are depreciated on a straight-line basis over the expected useful life, i.e. normally 4-5 years. Aircraft and spare parts including aircraft-related assets and improvements owned by the Company are depreciated on a straight-line basis over the expected useful life, i.e. normally up to fifteen years.

Leased assets are depreciated on a straight-line basis over 10 years and have a residual value at zero. Lease asset is only related to one Aircraft.

Improvements and small acquisitions below the write-off limit for tax purposes (DKK 12,600) and assets with a useful life of less than three years are charged to the income statement in the acquisition year.

Tangible fixed assets are written down to recoverable value if this is lower than the carrying amount. Profit or loss on disposal of tangible fixed assets is carried in depreciation and write-downs.

Fixed-asset investments

Deposits are recognised at acquisition cost calculated at cost.

Accounting policies

Inventories

Inventories comprise finished goods and are measured at costs based on an approximated FIFO method or at net realisable value, whichever is the lower. The net realisable value of stocks is calculated at the amount that they are expected to fetch when sold in normal operation, less selling and completion costs. The net realisable value is calculated with due consideration of negotiability, obsolescence and the development of the expected selling price.

The cost of goods for resale includes the purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost, which corresponds to nominal value, less write-downs to meet expected losses.

Short-term net deposits with group enterprises are recognised in receivables.

Prepayments and accrued income

Prepayments under assets include expenses incurred, but concerning the subsequent financial year. Prepayments are measured at amortised cost, which corresponds to nominal value.

Equity

Dividend is recognised as a liability other than provision at the time of approval by the annual general meeting. The dividend proposed for the financial year is shown as a separate item under equity.

Deferred tax

Provision for deferred tax is accounted for using the balance-sheet liability method and is calculated based on all temporary differences between the carrying amount of an asset or a liability and its tax base.

Provision for aircraft maintenance

Provisions have been made to cover the costs incurred by contractual liabilities for operationally leased aircraft. The provisions are calculated based on flight hours at the USD exchange rate on the balance sheet date.

Maintenance costs incurred are deducted in provisions.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

Accruals and deferred income

Deferred income under liabilities includes payments received, but recognised in the income statement in the subsequent financial year. Deferred income is measured at amortised cost, which usually corresponds to nominal value.

Segment information

With reference to section 96 of the Danish Financial Statements Act, segment information has been omitted since segment information is included in the consolidated financial statements for Thomas Cook Group plc.

Financial highlights

The financial ratios have been prepared in accordance with the definitions below.

Other financial ratios

| | | |
|--------------------------------------|---|---|
| Aircraft | = | Average number of aircraft in the fleet for the year |
| Cabin factor | = | $\frac{\text{Guests} \times 100}{\text{Seats flown}}$ |
| Number of flying hours (Block hours) | = | In-flight production hours |

Financial ratios (%)

| | | |
|------------------|---|---|
| Gross margin | = | $\frac{\text{Gross profit} \times 100}{\text{Revenue}}$ |
| Profit margin | = | $\frac{\text{Operating profit} \times 100}{\text{Revenue}}$ |
| Solvency ratio | = | $\frac{\text{Equity at year-end} \times 100}{\text{Total assets}}$ |
| Return on equity | = | $\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$ |

Income statement 2014/15

| | Note | 2014/15 DKK '000 | 2013/14 DKK '000 |
|--|------|---------------------|---------------------|
| Revenue | | 4.146.928 | 4.386.055 |
| External expenses | | -3.150.747 | -3.315.942 |
| Gross profit | | 996.181 | 1.070.113 |
| Staff costs | 1 | -773.275 | -772.717 |
| Depreciation, amortisation and impairment..... | 2 | -55.394 | -55.237 |
| Operating profit | | 167.513 | 242.158 |
| Financial income | 3 | 690 | 467 |
| Financial expenses | 4 | -3.217 | -2.488 |
| Profit before tax | | 164.986 | 240.137 |
| Tax on profit for the year | 5 | -42.199 | -60.629 |
| Net profit for the period | | 122.787 | 179.507 |
| Proposed distribution of profit | | | |
| Transferred to retained earnings | | -27.213 | 79.507 |
| Dividends to the shareholder | | 150.000 | 100.000 |
| | | 122.787 | 179.507 |

Balance Sheet

| Assets | Note | 30-09-2015 DKK '000 | 30-09-2014 DKK '000 |
|--|------|------------------------|------------------------|
| Software | | 5.668 | 5.260 |
| Intangible assets | 6 | 5.668 | 5.260 |
| Aircraft and spare parts | | 452.553 | 113.577 |
| Buildings on leased land..... | | 14.032 | 17.932 |
| Fixtures and fittings, tools and equipment | | 8.746 | 2.437 |
| Property, plant and equipment | 7 | 475.332 | 133.945 |
| Deposits | | 10.184 | 3.737 |
| Financial fixed asset | 8 | 10.184 | 3.737 |
| Fixed assets | | 491.184 | 142.942 |
| Inventories | 9 | 43.767 | 31.970 |
| Trade receivables | | 18.881 | 10.664 |
| Other receivables | 10 | 553.931 | 342.931 |
| Deferred tax asset | | 49.353 | 77.656 |
| Receivables from affiliated companies | | 18.710 | 12.256 |
| Cash, affiliated companies | | 245.045 | 94.710 |
| Loans to affiliated companies | 11 | 349.969 | 743.442 |
| Prepayments | 12 | 6.738 | 19.810 |
| Receivables | | 1.242.626 | 1.301.468 |
| Cash | | 25.371 | 25.122 |
| Current assets | | 1.311.764 | 1.358.560 |
| Assets | | 1.802.948 | 1.501.502 |

Balance Sheet

| Equity and Liabilities | Note | 30-09-2015 | 30-09-2014 |
|---|------|--------------------------------|--------------------------------|
| | | DKK '000 | DKK '000 |
| Share capital | | 60.000 | 60.000 |
| Retained earnings | | 53.272 | 138.859 |
| Proposed dividends for the financial year | | <u>150.000</u> | <u>100.000</u> |
| Equity | 13 | <u>263.272</u> | <u>298.859</u> |
| | | | |
| Provision for aircraft maintenance | | <u>297.464</u> | 456.103 |
| Provisions | | <u>297.464</u> | <u>456.103</u> |
| | | | |
| Joint tax contribution payable | | 0 | 21.884 |
| Mortgage credit..... | | 5.557 | 6.717 |
| Finance Lease Obligation | | <u>177.915</u> | <u>0</u> |
| Long-term debt | 14 | <u>183.472</u> | <u>28.601</u> |
| | | | |
| Mortgage credit..... | 14 | 939 | 924 |
| Employee bonds credit | | 0 | 3.331 |
| Trade payables | | 339.910 | 355.968 |
| Payables to affiliated companies | | 84.083 | 68.394 |
| Other payables | 15 | 571.817 | 245.521 |
| Joint tax contribution payable | | 17.129 | 30.913 |
| Deferred income..... | 16 | <u>44.862</u> | <u>12.889</u> |
| Short-term debt | | <u>1.058.741</u> | <u>717.940</u> |
| | | | |
| Liabilities other than provisions | | <u>1.242.212</u> | <u>746.541</u> |
| | | | |
| Equity and liabilities | | <u><u>1.802.948</u></u> | <u><u>1.501.502</u></u> |
| | | | |
| Contingent liabilities, securities etc. | 17 | | |
| Auditors' fees | 18 | | |
| Related parties | 19 | | |
| Group information | 20 | | |

Statement of changes in equity

| All amounts in DKK '000 | Share capital | Retained earnings | Proposed dividends | Total |
|---|--------------------------|------------------------------|-------------------------------|----------------|
| Equity at 1 October 2014 | 60.000 | 138.859 | 100.000 | 298.859 |
| Dividends paid | - | - | -100.000 | -100.000 |
| Pre-tax adjustment of derivative financial instruments | - | -77.009 | - | -77.009 |
| Tax on adjustment of derivative financial instruments | - | 18.635 | - | 18.635 |
| Profit and loss | - | -27.213 | 150.000 | 122.787 |
| Equity at 30 September 2015 | 60.000 | 53.272 | 150.000 | 263.272 |

Notes

| <u>Note 1 - Staff Costs</u> | 2014/15 | 2013/14 |
|--|----------------|----------------|
| | DKK '000 | DKK '000 |
| The total staff costs can be specified as follows : | | |
| Wages, salaries | 666.908 | 667.546 |
| Pension contributions | 56.209 | 54.369 |
| Other social security costs | 50.157 | 50.803 |
| | <u>773.275</u> | <u>772.717</u> |
| Remuneration to Executive Board | <u>5.829</u> | <u>5.931</u> |
| Average number of employees (full-time) | <u>1.060</u> | <u>1.043</u> |
| No remuneration to the Supervisory Board. | | |
| Incentive programs | | |
| The Executive Board is included in the Thomas Cook Group incentive programs. | | |
| <u>Note 2 - Depreciation and amortisation</u> | | |
| Intangible assets, see note 6 | 4.481 | 3.740 |
| Property, plant and equipment, see note 7 | 50.913 | 51.497 |
| | <u>55.394</u> | <u>55.237</u> |
| <u>Note 3 - Financial income</u> | | |
| Interest income, affiliated companies | 119 | 142 |
| Other interest income | 571 | 324 |
| | <u>690</u> | <u>467</u> |
| <u>Note 4 - Financial expenses</u> | | |
| Interest expenses, affiliated companies | 0 | 941 |
| Income tax surcharge..... | 73 | 218 |
| Other interest expenses | 3.144 | 1.329 |
| | <u>3.217</u> | <u>2.488</u> |

Notes

| | 2014/15 | 2013/14 |
|--|----------------|----------------|
| | DKK '000 | DKK '000 |
| <u>Note 5 - Tax on profit for the year</u> | | |
| Tax on profit for the year | -4.739 | 21.889 |
| Changes in deferred tax asset at the end of the year | 43.601 | 37.017 |
| Changes in corporate taxation from previous years..... | 0 | 0 |
| Changes in tax rates from 25 % to 22%..... | 3.338 | 1.724 |
| | <u>42.199</u> | <u>60.631</u> |

Note 6 - Intangible assets

| | |
|--|---------------------|
| Aquisition price at 1 October 2014 | 11.372 |
| Additions during the financial year | 4.888 |
| Disposals during the financial year | 0 |
| Aquisition price at 30 September 2015 | <u>16.260</u> |
| Amortisation at 1 October 2014 | 6.112 |
| Amortisation for the financial year | 4.481 |
| Reversed amortisation on assets disposed during the financial year | 0 |
| Amortisation at 30 September 2015 | <u>10.593</u> |
| Carrying amount at 30 September 2015 | <u>5.668</u> |
| Carrying amount at 30 September 2014 | <u>5.260</u> |

Notes

Note 7 - Property, plant and equipment

| | Aircraft and Spare Parts | Buildings | Fixtures, etc |
|--|---|----------------------|--------------------------|
| | DKK '000 | DKK '000 | DKK '000 |
| Aquisition price at 1 October 2014 | 250.290 | 79.138 | 12.447 |
| Additions during the financial year | 400.695 | 0 | 8.259 |
| Disposals during the financial year | -27.845 | 0 | -524 |
| Aquisition price at 30 September 2015 | <u>623.140</u> | <u>79.138</u> | <u>20.182</u> |
| Depreciation at 1 October 2014 | 136.713 | 61.206 | 10.010 |
| Depreciation and impairment for the financial year | 45.064 | 3.899 | 1.950 |
| Reversed depreciations during the financial year | -11.190 | 0 | -524 |
| Depreciation at 30 September 2015 | <u>170.587</u> | <u>65.105</u> | <u>11.436</u> |
| Carrying amount at 30 September 2015 | <u>452.553</u> | <u>14.032</u> | <u>8.746</u> |
| Carrying amount at 30 September 2014 | <u>113.577</u> | <u>17.932</u> | <u>2.437</u> |

The buildings are not subject to public land assesment.

Building on leased land is used as guarantee for Mortgage Loan

Aircraft and spare parts comprise aircraft-related assets owned by the Company.

The carrying amoung of leased assets amounted to 296 mDKK as at 30 september 2015.

Notes

Note 8 - Financial assets

| | <u>Deposits</u> |
|---|----------------------|
| Aquisition price at 1 October 2014 | 3.737 |
| Additions during the financial year | 7.835 |
| Disposals during the financial year | <u>-1.387</u> |
| Aquisition price at 30 September 2015 | 10.184 |
| Carrying amount at 30 September 2015 | <u>10.184</u> |
| Carrying amount at 30 September 2014 | <u>3.737</u> |

| | 30-09-2015 | 30-09-2014 |
|------------------------------------|-------------------|-------------------|
| | DKK '000 | DKK '000 |
| <u>Note 9 - Inventories</u> | | |
| Finished goods | <u>43.767</u> | <u>31.970</u> |

Note 10 - Other receivables

| | | |
|--|----------------|----------------|
| Unrealised gains on currency contracts..... | 228.970 | 155.230 |
| Receivables, purchase agreement aircraft | 305.184 | 155.106 |
| Other receivables | <u>19.777</u> | <u>32.595</u> |
| | <u>553.931</u> | <u>342.931</u> |

Note 11 - Loans to affiliated companies

| | | |
|-------------------------------------|----------------|----------------|
| Loans to affiliated companies | <u>349.969</u> | <u>743.442</u> |
| | <u>349.969</u> | <u>743.442</u> |

Loans to and from affiliated companies are entitled to be set off according to Note 17

Note 12 - Prepayments

| | | |
|------------------------------|--------------|---------------|
| Prepaid aircraft lease | 3.919 | 12.795 |
| Prepaid insurance | 1.051 | 906 |
| Other prepayments | <u>1.768</u> | <u>6.110</u> |
| | <u>6.738</u> | <u>19.810</u> |

Notes

Note 13 - Equity

There were no changes in share capital in the period 2009/10-2014/15.

The share capital is divided into shares of DKK 1,000 or multiple hereof.

No special rights are attached to any of the shares

| | 30-09-2015 | 30-09-2014 |
|--|-------------------|-------------------|
| | DKK '000 | DKK '000 |
| <u>Note 14 - Long Term debt</u> | | |
| The mortgage debt is falling due as follows: | | |
| Within 1 year | 939 | 924 |
| Between 1 and 5 years | 5.557 | 4.694 |
| After 5 years | 0 | 2.023 |
| | <u>6.496</u> | <u>7.641</u> |

The Finance Lease obligation is falling due as follows:

| | | |
|-----------------------------|----------------|----------|
| Within 1 year | 8.578 | 0 |
| Between 1 and 5 years | 61.004 | 0 |
| After 5 years | 108.333 | 0 |
| | <u>177.915</u> | <u>0</u> |

Income tax through Joint Taxation is due between 1 and 5 years.

Note 15 - Other Obligations

| | | |
|---|----------------|----------------|
| Holiday pay obligation | 76.903 | 83.248 |
| Withholding tax payable and other staff-related costs | 61.681 | 49.603 |
| Passenger fees payable | 3.749 | 3.394 |
| VAT and duties payable | 7.085 | 6.525 |
| Unrealised loss on fuel and currency contracts..... | 252.148 | 101.399 |
| Aircraft prepayment financing | 161.673 | 1.351 |
| Finance lease Obligation | 8.578 | 0 |
| | <u>571.817</u> | <u>245.521</u> |

Note 16 - Deferred Income

| | | |
|--|---------------|---------------|
| Aircraft maintenance contribution received | 30.141 | 0 |
| Prepayments from customers | 881 | 702 |
| Marketing contribution received | 13.106 | 12.188 |
| Other prepayments received | 734 | 0 |
| | <u>44.862</u> | <u>12.889</u> |

Notes

| Note 17 - Contingent liabilities, securities etc | 30-09-2015 | 30-09-2014 |
|--|-------------------|-------------------|
| | DKK '000 | DKK '000 |
| Total lease commitments (operating lease) due for payment after the balance sheet date | <u>2.670.541</u> | <u>495.862</u> |
| Of this, due within 5 years | <u>1.275.502</u> | <u>495.862</u> |
| Of this, due within 1 year | <u>326.101</u> | <u>282.734</u> |
| The total lease commitments can be specified as follows: | | |
| Lease of aircraft and spare parts from/through affiliated companies..... | 343.124 | 233.791 |
| Lease of aircraft and spare parts from other companies | 2.316.955 | 257.373 |
| Lease of buildings, hangar area, etc. | 7.819 | 2.264 |
| Other significant leases | <u>2.644</u> | <u>2.434</u> |
| | <u>2.670.541</u> | <u>495.862</u> |
| Bank guarantees | <u>37.925</u> | <u>36.905</u> |

The lease commitments regarding aircraft and spare parts have been translated from USD using the exchange rate at balance sheet date.

The Company is included in a cash pool agreement with other Nordic group companies through the Group's primary banker in Denmark, Norway and Sweden. The deposit in this cash pool agreement representing tdkk 245.045 (2013/14: 94.710) is actually an intragroup receivable from Thomas Cook Northern Europe AB (TCNE), and it is emphasised that the Company is liable to the top account holder, TCNE, for this amount.

The Company has received a guarantee from TCNE covering all amounts in cash pools and internal deposits with TCNE

The Company is included in a common VAT registration with other Danish group companies. Furthermore, the Company is included in a joint taxation with other Danish group companies. Thereby, the Company is jointly and severally liable for VAT and income tax with the other Danish Group Companies.

The Company concluded in the financial year 2010/11 a purchase agreement with AIRBUS for 12 new Airbus A321, each with a list price for USD 96 mio. before escalation and discounts. The agreement was renegotiated in May 2013 and together with a 3rd party a "sale and leaseback" for 6 aircraft delivered to the company this financial year. Further 2 were delivered to another airline in the Thomas Cook Group and also the remaining 4 aircraft are scheduled for delivery to a sister airline in 2015/16.

We refer to further mentions in the Management review.

Securities: None

Notes

Note 18 - Audit fees

Referring to the Danish Statements Act § 96, sub section 3, information on fees to Auditors elected on a general meeting, has been omitted.

We refer to the financial statement of Thomas Cook Group plc.

Note 19 - Related parties

Transactions with related parties have been performed within the arm's length principle

Note 20 - Group information

Thomas Cook Airlines Scandinavia A/S is included in the consolidated financial statements of Thomas Cook Group plc, England. The company is not included in other consolidated financial statements. See also www.thomascookgroup.com to download statements