

Interim Financial Report **1st Quarter 2011**

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(1 January - 31 March 2011)

Clean up in DSBFirst Øresund

The Group's loss before tax totalled DKK 18 million compared with profits of DKK 22 million in the corresponding quarter in 2010. The loss is partly owing to cost to consultants and auditing regarding the clean up in DSBFirst Øresund, and partly to redundancy costs and start up costs in the new operations. However, the result has also been influenced by several positive factors, including more S-tog customers and the effect of initiated efficiency enhancements and savings.

Furthermore, the result is influenced by an income of DKK 51 million of the provisions and write-downs totalling DKK 725 million, which were recognised in the annual accounts for 2010. Consequently, the result in DSBFirst Øresund has no effect on profits before tax in the consolidated Group accounts in the 1st quarter of 2011. As per 31 December 2010 provisions stood at DKK 422 million. In addition write-downs amount to DKK 303 million. Hereafter the balance of the provisions total DKK 371 million as per 31 March 2011.

Status on investigations concerning DSBFirst Øresund

DSB and the Ministry of Transport have initiated a number of investigations and analyses of the financial situation in DSBFirst Øresund, issues regarding the Helgoland transaction and of new procedures concerning inter-company transactions in DSB. The work also includes possible state aid issues and has not been concluded yet. At the same time, DSB is in the process of implementing ongoing efficiency measures in DSBFirst Øresund while negotiating with the transport authorities and FirstGroup regarding a more durable model for the traffic on Kystbanen and on the Swedish part of the Øresund traffic.

More customers and improved punctuality

In spite of a significant media pressure on DSB, the employees are still working targeted at ensuring a good travel experience for our customers. Thus in the 1st quarter of 2011 we have seen a record number of customers in our trains while at the same time experiencing a significantly improved punctuality

In Long distance & Regional trains, the number of delays fell by almost 20 per cent compared with the 1st quarter of 2010 and stood at 9.8 per cent (11.9 per cent). The satisfactory development is the result of a continued focussed effort to improve the general punctuality. The number of delays in S-tog fell by 31 per cent to 4.4 percent compared with the 1st quarter 2010. In the 1st quarter of 2011 both S-tog and Long distance & Regional trains have seen fewer delays than the fixed targets in the transport contracts.

In the 1st quarter of 2011, DSBFirst Øresund's Danish operator punctuality was 98.8 per cent. At the same time, the Swedish operator punctuality was 99.9 per cent.

More customers in the trains

DSB had 53 million customers in the 1st quarter of 2011, including the new operations in Germany and in Sweden. The number of customers on the Danish market increased

by 5 per cent, which is due to an impressive increase of 7 per cent in the number of S-tog customers. Of these, only 3 percentage points can be attributed to more customers on the lines, which have been marked by track closures in 2010 and in 2011.

With more than 25 million customers S-tog had the best quarter in more than 20 years. At the same time, Long distance & Regional trains has seen an increase in the number of customers of 2 per cent compared to last year, which is primarily due to a significant increase in the number of national journeys. The development is due to the satisfactory punctuality and recent years' customer initiatives, for instance customers being able to bring their bicycles on the train free of charge, Shopping Sundays with the S-tog, and new fare and service concepts such as Orange and WildCard.

In the 1st quarter of 2011 DSBFirst in Denmark has seen an increase in customers of 2 per cent.

IC4 status

In January 2011 DSB put into operation the first double coupled IC4 train sets. Subsequently, DSB ascertained that the quality and operating stability of the train sets at present do not live up to expectations and therefore the train sets are not at a level, which DSB and DSB's customers can accept. Consequently, DSB is now intensifying its focus on the remaining deliveries from AnsaldoBreda to ensure that the producer lives up to the fixed quality demands. Furthermore, an independent review has been initiated with a view to uncover how to improve the operating stability of the IC4 trains. At the same time, it is being investigated what legal steps are available to DSB in the agreements with AnsaldoBreda. At the end of April 2011 AnsaldoBreda has delivered 42 IC4 train sets, of which the 28 train sets are 2nd generation train sets.

Increased efficiency

In 2011 DSB has launched a number of new projects with a view to adjust the company to the financial situation, including a hiring freeze and salary restraints across the company and a marked reduction in the use of consultants; the objective being total savings in the region of DKK 300 million with full year effect in 2012.

Expectations for 2011

The DSB Group's profit before tax is expected to be around DKK 200-250 million in 2011, excluding expenses to possible restructurings and possible changes in provisions concerning DSBFirst Øresund. Profits from sale of property is expected to total DKK 140 million and AnsaldoBreda discounts to DKK total 70 million. At the presentation of the annual accounts for 2010, DSB expected profits of DKK 300 million. The change is primarily due to costs in connection with the initiated investigations concerning DSBFirst Øresund and the leasing of double deckers as a result of the delay in the IC4 delivery.

The Interim Financial Report for the 1st Quarter of 2011 has been prepared in Danish and in English. In the event of any discrepancies between the Danish and the English The Interim Financial Report for the 1st Quarter of 2011, the Danish version shall prevail.

Financial highlights for the DSB Group

	1st quarter		Growth	
	2011	2010	Abs.	Pct.
<i>Amounts in DKK million</i>				
Profit and loss account				
Passenger revenues	1,025	1,005	20	2%
Revenue from transport contracts	1,298	1,116	182	16%
Shop sales etc. ¹	185	212	-27	-13%
Sales of repair and maintenance of rolling stock etc.	39	26	13	50%
Leasing of rolling stock	57	42	15	36%
Net turnover	2,604	2,401	203	8%
Other operating income etc. ²	262	265	-3	-1%
Total income	2,866	2,666	200	8%
Total expenses	2,394	2,187	-207	-9%
Profit before depreciation and write-downs	472	479	-7	-1%
Depreciation and write-downs	380	348	-32	-9%
Operating profit	92	131	-39	-30%
Net financials	-110	-109	-1	-1%
Profit before tax	-18	22	-40	-182%
Profit for the year	-15	17	-32	-188%
Cash flow				
Cash flow - operating activities	622	509	113	22%
Cash flow - investing activities	-508	-367	-141	-38%
- of which investments in tangible fixed assets	-523	-350	-173	-49%
Cash flow - financing activities	-138	191	-329	172%
Cash at bank and in hand at 31 March	-340	-130	-210	-162%
	31.3.	31.12.		
	2011	2010		
Balance sheet				
Balance sheet total	25,400	25,776	-376	-1%
Fixed assets	23,203	23,152	51	0%
Current assets	2,197	2,624	-427	-16%
Total equity	6,542	6,613	-71	-1%
Minority interests	-3	1	-4	-
Provisions	2,406	2,499	-93	-4%
Non-current liabilities	11,021	10,342	679	7%
Current liabilities	5,434	6,321	-887	-14%
Interest-bearing liabilities, net	11,926	12,029	-103	-1%
	1st quarter			
	2011	2010		
Key figures				
Operating profit margin (EBITDA margin)	18.1	20.0	-1.9	-9%
Profit ratio (EBIT margin)	3.5	5.5	-2.0	-36%
Return on equity (ROE) p.a.	-0.8	0.9	-1.7	-189%
Return on invested capital after tax (ROIC after tax) p.a.	1.5	2.1	-0.6	-31%
Gearing p.a.	6.3	6.1	0.2	3%
Solvency ratio	25.8	28.9	-3.1	-11%
Interest cover	0.9	1.2	-0.3	-25%
Further information				
Average number of full-time employees	9,808	9,308	500	5%
Train journeys (in thousands of journeys) ³	53,343	48,763	4,580	9%
Train km (in thousands of train km)	22,004	18,026	3,977	22%

1) The accounts for 2011 have been influenced by a changed method concerning the sale of Tips, Lotto and cell phone Talk Time Cards. This is owing to a change from gross to net recognition of these products. The effect on the sale of shop articles etc. amount to DKK 24 million in the 1st quarter of 2011. The change has no effect on results for the period.

2) Other operating income etc. comprise Work performed by the enterprise and capitalised and Other operating income.

3) Compared to previously published figures, the number of customers in 2010 has been adjusted as a consequence of a new model for presenting number of journeys.

Definition of key figures

The financial ratios and definitions have been prepared in accordance with the "Recommendations & Financial Ratios 2010" from the Danish Society of Financial Analysts.

Operating profit margin (EBITDA margin) = profit before depreciation and write-downs x 100 / net turnover

Profit ratio (EBIT margin) = operating profit x 100 / net turnover

Return on equity (ROE) = profit for the year x 100 / average equity p.a.

Return on invested capital after tax (ROIC after tax) = operating profit after tax (NOPLAT) x 100 / (average equity + average interest bearing liabilities) p.a.

Gearing = net interest-bearing liabilities / EBITDA p.a.

Solvency ratio = total equity x 100 / balance sheet total

Interest cover = operating profit + financial income / financial expenses

2. Financial review

Loss totalling DKK 18 million

Group loss before tax totalled DKK 18 million compared with profits of DKK 22 million in the corresponding quarter in 2010.

The loss is owing partly to costs to consultants and auditing concerning the clean up in DSBFirst Øresund, and partly to the severance costs and the start up costs of the new operations. However, the result is also affected by a number of positive factors, including more customers in S-tog and the effect of the initiated efficiency enhancements and savings.

Net turnover up by 8 per cent

In the 1st quarter of 2011 overall net turnover for the DSB Group totalled DKK 2,604 million (DKK 2,401 million).

Passenger revenues amounted to DKK 1,025 million (DKK 1,005 million) which is an increase of DKK 20 million compared with the 1st quarter of 2010. The development is primarily attributable to the strong customer growth of 7 per cent in S-tog, which transported more than 25 million customers in the Greater Copenhagen area in the 1st quarter of 2011.

Revenue from transport contracts rose by DKK 182 million compared with the 1st quarter of 2010 and amounted to DKK 1,298 million (DKK 1,116 million). The increase is primarily due to the new activities in South Sweden in December 2010 (DSBFirst Väst AB in Gothenburg and DSB Småland AB in the Jönköping area) and the acquisition of 50 per cent of the German operator VIAS as from 1 April 2010.

Sales from shops etc. increased by 13 per cent compared with the 1st quarter of 2010 and amounted to DKK 185 million (DKK 212 million). The development is due to a changed method concerning the recognition of sales of Tips, Lotto and cell phone Talk Time Cards. The change has no impact on the result for the 1st quarter 2011.

Sales of repair and maintenance of rolling stock etc. totalled DKK 39 million (DKK 26 million). The increase is owing to an increased sale of maintenance services, including to Flytoget in Oslo.

Leasing of rolling stock amounted to DKK 57 million (DKK 42 million), corresponding to and increase of DKK 15 million. The development is due

to the leasing of newly acquired Øresund train sets to the Danish Transport Authority.

Other operating income etc. totalled DKK 262 million (DKK 265 million).

Development on the basic product

Total costs amounted to DKK 2,394 million (DKK 2,187 million). The increase of DKK 207 million is mainly due to the development in price and salaries and start up costs to new operations. In addition, there have been costs to improve the basic product and customer improving measures both in Long distance & Regional trains, S-tog and DSBFirst. Conversely, efficiency enhancements in administrative jobs and other savings contribute to reducing costs.

Costs to improve the basic product are i.a. a consequence of part of the settlement with Ansaldo-Breda in 2009. It has been agreed with the Ministry of Transport that DKK 0.5 billion of the total compensation, over a number of years, will be used to increase quality of the basic train product through a punctuality plan for Long distance & Regional trains.

Number of employees

The average number of full-time employees was 9,808 in the 1st quarter of 2011, which is an increase of 500 employees compared with the same period in 2010. The increase is due to the start up of new operations in Sweden and Germany. The number of employees in the foreign operations increased by 700 full-time employees, while the number of employees on the Danish market decreased by 200 full-time employees.

Table 1: Productivity

	1st quarter		Growth	
	2011	2010	Abs.	Pct.
Number of train km per employee	2,243	1,937	306	16%
Number of train journeys per employee	5,439	5,239	200	4%
Costs per train km	109	121	-12	-10%

Productivity

The number of train km per employee rose by 16 per cent to 2,243, while the number of train journeys per employee rose by 4 per cent to 5,439. Costs per train km fell by 10 per cent from DKK 121 to DKK 109 in the 1st quarter 2011, which should be seen in the light of the increased km production as a result of the take over of Krösatåg and Västtrafik.

3. Development in number of customers

Table 2: Number of customers

1,000 customers	1st quarter		Growth	
	2011	2010 ⁴	Abs.	Pct.
Long distance & Regional trains, incl.:	11,945	11,692	253	2%
East	6,066	6,096	-30	0%
West	3,681	3,551	130	4%
East/West across the Great Belt	2,009	1,873	136	7%
Other	189	172	17	10%
DSBFirst in Denmark	5,906	5,790	116	2%
S-tog (adjusted) ¹	22,525	21,670	855	4%
Total number of customers in Denmark (adjusted)¹	40,376	39,152	1,224	3%
Adjustment temporary track closure	2,797	1,930	867	45%
Total number of customers in Denmark	43,173	41,082	2,091	5%
Total number of customers in Germany²	1,000	-	1,000	-
Total number of customers in Sweden³	11,489	9,955	1,534	15%
Elimination ³	-2,319	-2,274	-45	-2%
Total number of customers	53,343	48,763	4,580	9%
Total number of customers (adjusted)¹	50,546	46,833	3,713	8%

1) Excluding customers who have experienced temporary track closures in periods and time intervals on their lines. Temporary track closure entails that at least one track on the line has been closed and that during part of the period all tracks on the line have been closed. Excluding adjustment for temporary track closures the increase in number of passengers in S-tog was 7 per cent.

2) Journeys with the German operating company VIAS are included in Number of customers in the DSB Group with 100 per cent as of 1 April 2010. In the consolidated accounts VIAS is recognised on a pro-rata basis with 50 per cent.

3) Cross-border travellers are included under customer numbers per country. In the overall balance for the DSB Group, the number of customers who do not embark or disembark during their journey are eliminated.

4) Compared to previously published figures, the number of customers in 2010 has been adjusted as a consequence of a new model for presenting the number of journeys.

Number of customers in the DSB Group

The DSB Group's total number of customers rose by 4.6 million compared with the 1st quarter of 2010, which corresponds to an increase of 9 per cent.

On the Danish market the total number of customers increased by 5 per cent in the 1st quarter of 2011 compared with 2010. This is excluding customers on those lines, which have been affected by comprehensive track works on the S-train network primarily in 2010 (adjusted for track closures), cf. table 2. The growth can be attributed to an increase in customers in the long distance and regional traffic of 2 per cent and an increase of 4 per cent in S-tog. The adjusted Danish growth amounts to 3 per cent in the 1st quarter of 2011. The number of customers in DSBFirst in Denmark increased by 2 per cent.

The total number of international customers increased in the 1st quarter of 2011 by 2.5 million totalling 12.5 million customers corresponding to an increase of 25 per cent.

Development in passenger traffic in Denmark

The market for passenger traffic has been affected by the economic slowdown and the development in the unemployment rate and private consumption for a prolonged period of time.

In its last survey the Danish Road Directorate found that the national car traffic in 2010 fell by 1 per cent compared with 2009.

In the 1st quarter of 2011 the total number of journeys (train, airplane, car, bus) across the Great belt was up 1.8 per cent compared with the number of journeys in the 1st quarter of 2010.

The number of car crossings on the bridge across the Great Belt increased by 3 per cent, while the number of train passengers across the Great Belt increased by 7 per cent. DSB's market share across the Great Belt was 29 per cent in the 1st quarter of 2011 compared with 30 per cent in the same period in 2010.

Long distance & Regional trains

Long distance & Regional trains had 11.9 million customers in the 1st quarter of 2011, which is an increase of 0.3 million or 2 per cent compared with the same period in 2010. The development is i.a. due to an improved punctuality, including more targeted information and improved cleaning. In addition, the development is driven by fare and service concepts as for instance Orange and Wild-Card and the new ticket application to Iphone and Android, which is now downloaded more than 100,000 times. The business market is primarily attracted to DSB 1⁺ and the web portal Work+, and the leisure market to Orange.

In the 1st quarter of 2011 the number of customers grew by 4 per cent for West, while East was almost unchanged. In both areas the leisure segment has seen a growth driven by Orange and the Family Ticket and new possibilities for use of the

SU Card (Danish students' Grants and Loans Scheme). In East, this development is off set by fewer standard tickets.

S-tog

On the lines that were not affected by track improvement work, S-tog experienced customer growth of 4 per cent, corresponding to 0.9 million customers compared with the 1st quarter of 2010. The growth is primarily attributable to the positive effects of customers being able to bring their bicycles on the train free of charge, Shopping Sundays and new ticket types such as the success with the SMS ticket and the SMS clip cards, which are joint products for all public service traffic in the Greater Copenhagen Area, and the subscription cards introduced to businesses through the internet portal Work+. At the same time the introduction of S-train night services contributed positively to the growth.

DSBFirst in Denmark

In the 1st quarter of 2011 DSBFirst in Denmark saw a growth in customers of 2 per cent and an operator punctuality of 98.8 per cent. At the same time, the Swedish operator punctuality was 99.9 per cent. The operator punctuality in both Denmark and Sweden meets the demands in the transport contracts. The extraordinary severe winter at the start of the year and the start up difficulties in connection with the new City tunnel in Malmö meant that customer experienced punctuality in the 1st quarter of 2011 was 81.9 per cent.

Since the turn of the year, the rolling stock situation has improved and stabilised. Despite this, the customers continue to experience daily reductions in the number of coupled train sets. This development is not satisfactory, and DSB continues to work on measures to increase operating stability and reduce the number of train sets, which are out of service.

Sweden

DSB's activities in Sweden include journeys in the Swedish part of DSBFirst Øresund, Roslagsbanan in the Stockholm area and regional and commuter traffic in Gothenburg and train services around Jönköping.

DSB's British partner FirstGroup has announced that the company intends to sell its shares in DSBFirst Øresund, where FirstGroup owns 30 per cent of the shares, while DSB owns 70 per cent. Furthermore, FirstGroup has opted to withdraw from the company's seats on the Boards of Directors of DSBFirst Denmark and DSBFirst ApS¹.

In 2010 DSB won the tender for the regional train services Upptåget in the Uppsala area north of Stockholm. Start of operations is in June 2011. The number of customers in 2011 in Sweden totalled 11.5 million, which corresponds to an increase of 15 per cent.

Germany

DSB's activities consists of journeys with the German operator VIAS. Since 2005, VIAS has operated the Odenwaldbahn in the Frankfurt am Main area.

From December 2010 VIAS also operates the Rheingau line from Frankfurt am Main to Koblenz. Since the 1st quarter of 2011, VIAS has had a total of 1.0 million customers. VIAS is owned jointly with our German partner RATH GmbH.

¹ The sale of shares is made on the basis of an agreement between DSB and the minority shareholder in DSBFirst ApS stating that DSB is committed to purchasing the shares of the minority shareholder in case the minority shareholder wishes to sell his shares in the period until the beginning of 2012. Uncertainty remains with regard to the final character of the commitment and the value of the option.

4. Business areas

Long distance & Regional trains

Table 3: Long distance & Regional trains

Amounts in DKK million	1st quarter		Growth	
	2011	2010	Abs.	Pct.
Net turnover	1,124	1,144	-20	-2%
Revenue from passengers and travel agency	742	744	-2	0%
Revenue from transport contract	293	279	14	5%
Revenue from train service	10	11	-1	-9%
Sale of repair and maintenance of rolling stock	22	68	-46	-68%
Leasing of rolling stock	57	42	15	36%
Profit before depreciation and write-downs	107	149	-42	-28%
Operating profit margin	9.5	13.0	-3.5	-27%
Train km (1,000 km)	9,477	9,453	24	0%

Net turnover for Long distance & Regional trains decreased by DKK 20 million compared with the 1st quarter of 2010.

Passenger and travel agency revenues totalled DKK 742 million (DKK 744 million), representing a decrease of DKK 2 million. The decrease is due to an adjustment of passenger revenues for the period 2009-10. Conversely, passenger revenues have been positively affected by more customers, which is due to the continued strong customer and market focus.

Revenue from the transport contract with the state increased by DKK 14 million or 5 per cent compared with the 1st quarter 2010 (DKK 279 million). The transport contract payment is underlying affected by the preconditions concerning efficiency enhancements in the company, which are incorporated in the transport contract, and which entail a reduction in revenue over the contract period.

Revenue from train services totalled DKK 10 million (DKK 11 million), corresponding to a decline of DKK 1 million.

Sales of repair and maintenance of rolling stock etc. amounted to DKK 22 million (DKK 68 million). The decrease is due to maintenance tasks being transferred to DSB Vedligehold A/S. Sales of repair and maintenance of rolling stock etc. now primarily concern sales of energy to third party.

Leasing of rolling stock increased by DKK 15 million and totalled DKK 57 million (DKK 42 million). This development is attributable to leasing of newly acquired Øresund train sets to the Danish Transport Authority.

Profit before depreciation and write-downs fell by DKK 42 million and totalled DKK 107 million (DKK 149 million). The development is primarily due to increased expenses to a continued increased effort to improve punctuality and customer initiatives.

Total production was 9.5 million in the 1st quarter 2011, which is in line with last year.

S-tog

Table 4: S-tog

Amounts in DKK million	1st quarter		Growth	
	2011	2010	Abs.	Pct.
Net turnover	595	584	11	2%
Passenger revenues	283	263	20	8%
Revenue from transport contract	312	321	-9	-3%
Profit before depreciation and write-downs	254	240	14	6%
Operating profit margin	42.7	41.1	1.6	4%
Train km (1,000 km)	4,054	3,825	229	6%

S-tog's net turnover increased by DKK 11 million, corresponding to 2 per cent.

Passenger revenues totalled DKK 283 million (DKK 263 million) in the 1st quarter 2011, representing growth of DKK 20 million. The increase is due to a significant increase in the number of customers.

Revenue from the transport contract with the state fell by DKK 9 million to DKK 312 million (DKK 321 million). The development is primarily a consequence of the preconditions concerning efficiency enhancements in the company, which is recognised in the transport contract, and which entail a reduction in revenue over the contract period.

Profit before depreciation and write-downs totalled DKK 254 million (DKK 240 million). The increase of DKK 14 million is i.a. due to the increase in the number of customers, the effect of the efficiency enhancements and savings, partly offset by costs in connection with new product types and other customer improving measures, including customers being able to bring their bicycles on the train free of charge and Shopping Sundays and new ticket types such as the success with the SMS ticket and the SMS clip cards.

Production, expressed in number of train km, fell by 6 per cent due to line obstructions in connection with the extensive track improvement work in 2010.

Kort & Godt

Table 5: Kort & Godt

Amounts in DKK million	1st quarter		Growth	
	2011	2010 ¹	Abs.	Pct.
Net turnover	218	242	-24	-10%
Shop sales etc.	176	201	-25	-12%
Commission income	42	41	1	2%
Profit before depreciation and write-downs	2	0	2	-
Operating profit margin	0.9	0.0	0.9	-

¹⁾ The accounts for 2011 have been influenced by a changed method concerning the sale of Tips, Lotto and cell phone Talk Time Cards. This is owing to a change from gross to net recognition of these products. The effect on the sale of shop articles etc. amount to DKK 24 million in the 1st quarter of 2011. The change has no effect on results for the period.

Sales from shops etc. totalled DKK 176 million (DKK 201 million) which is a drop of DKK 25 million compared to the 1st quarter of 2010. The development is due to a changed method regarding recognition of sales of Tips, Lotto and cell phone Talk Time Cards. The change has no effect on the result for the period. Income from commissions is almost unchanged and amounted to DKK 42 million (DKK 41 million) in the 1st quarter of 2011.

Profit before depreciation and write-downs increased by DKK 2 million compared to the 1st quarter of 2010. The development is primarily due to cost adaptations and the effect of the conversion of Kort & Godt shops into 7-Eleven. Around 80 Kort & Godt shops are planned to be included under the 7-Eleven concept.

DSBFirst Øresund

Table 6: DSBFirst Øresund

<i>Amounts in DKK million</i>	1st quarter		Growth	
	2011	2010	Abs.	Pct.
Net turnover	229	227	2	1%
Revenue from transport contract	212	193	19	10%
Additional revenue	17	34	-17	-50%
Profit before depreciation and write-downs	-1	-13	12	-
Operating profit margin	-0.4	-5.6	5.2	-

DSBFirst Øresund is in a serious financial situation because the development of the business area has not lived up to expectations resulting in an operating loss.

Therefore, DSB's management has initiated a thorough analysis of DSBFirst Øresund's economy and a review of the business plan. In addition, a number of legal and financial investigations of issues relating to DSBFirst Øresund are in progress.

It is expected that DSBFirst Øresund will realise a significant operating loss in 2011. In DSB's consolidated Group accounts the loss is expected to be covered by the provisions totalling DKK 422 million, which was recognised in the annual accounts for 2010. In addition, write-downs amounting to DKK 303 million were recognised.

Furthermore, DSB is working on a comprehensive restructuring plan for the operation of DSBFirst Øresund. The plan and the strategic implementation of it have yet to be completed.

The Danish and Swedish tendering authorities have requested written documentation which substantiates that DSBFirst Øresund is financially capable to continue operations of the tendered lines in Denmark and in Sweden. The outcome is awaiting further action.

In the 1st quarter of 2011 net turnover in DSBFirst Øresund stood at DKK 229 million, which corresponds to an increase of DKK 2 million.

Revenue from transport contracts amounted to DKK 212 million (DKK 193 million), which represents an increase of DKK 19 million compared with the 1st quarter of 2010. The development is due to production increases, primarily on the Swedish lines.

Profit before depreciation and write-downs in DSBFirst Øresund stood at a loss of DKK 1 million. This includes utilisation of provisions amounting to DKK 51 million. The remaining book value of the provisions hereafter totals DKK 371 million as of 31 March 2011.

In the 1st quarter of 2011 the result in DSBFirst Øresund is influenced by a number of extraordinary issues, including utilisation of provisions, initiation of maintenance costs has been stopped, and energy costs concerning purchase of energy for the accounting year 2010. Adjusted for this, the result in DSBFirst Øresund stood at DKK -36 million in the 1st quarter of 2011.

DSB Sverige

Table 7: DSB Sverige¹

Amounts in DKK million	1st quarter		Growth	
	2011	2010	Abs.	Pct.
Net turnover	137	45	92	204%
Revenue from transport contract	137	45	92	204%
Additional revenue	0	0	0	-
Profit before depreciation and write-downs	-13	3	-16	-
Operating profit margin	-9.5	6.7	-16.2	-

1) Excluding DSBFirst Øresund.

DSB Sverige includes the following operations: Roslagsbanan in the Stockholm area and the regional and commuter traffic in Gothenburg and train operations around Jönköping.

In the 1st quarter of 2011 revenues from transport contracts in DSB Sverige stood at DKK 137 million, corresponding to an increase of DKK 92 million. The increase is due to activity expansions in Southern Sweden in December 2010 (DSVFirst Väst AB in Gothenburg and DSB Småland AB in the Jönköping area).

Profit before depreciation and write-downs in DSB Sverige stood at a loss of DKK 13 million, which is primarily attributable to start up costs and costs to replacement bus services as a result of the winter weather.

The management is preparing a report concerning the other Swedish operations, which will be completed in connection with the preparation of the accounts for the first half year.

DSB Germany

Table 8: DSB Tyskland

Amounts in DKK million	1st quarter
Net turnover	50
Revenue from transport contract	50
Additional revenue	0
Profit before depreciation and write-downs	2
Operating profit margin	4.0

In 2010 DSB acquired 50 per cent of the German operating company VIAS GmbH. In terms of financial ratios and accounting, the company is recognised from 1 April 2010.

In the 1st quarter of 2011, revenues from transport contracts stood at DKK 50 million.

Profit before depreciation and write-downs stood at DKK 2 million.

5. Delays

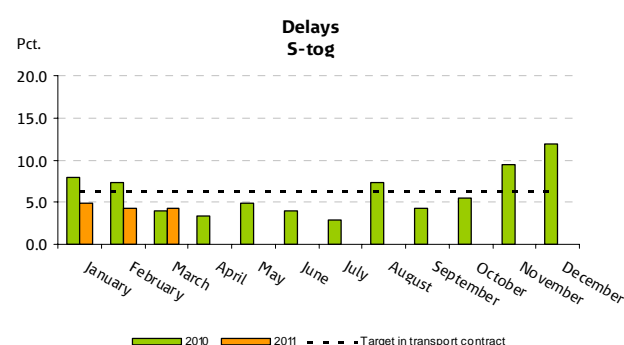
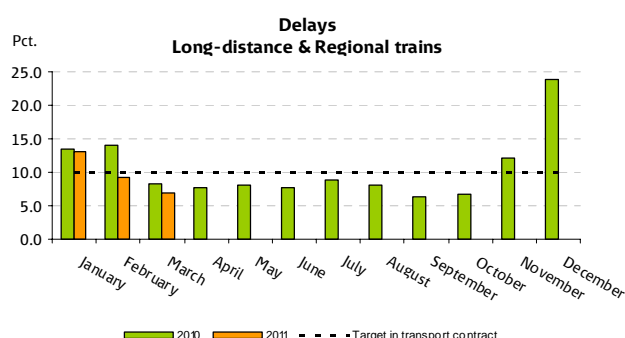
Improved punctuality

The number of delays in the 1st quarter of 2011 relating to both Long distance & Regional trains and S-tog has improved compared to the same period last year. At the same time both S-tog and Long distance & Regional trains have seen fewer delays in the 1st quarter of 2011 than targets specified in the transport contracts.

In Long distance & Regional trains the number of delays fell by almost 20 per cent compared to the

1st quarter 2010 and stood at 9.8 per cent (11.9 per cent). The development is due to a combination of a continued focussed effort to improve the general punctuality, fewer rolling stock failures and the extraordinary severe winter weather in 2010, which affected the number of delays negatively.

For S-tog the number of delays was 4.4 per cent in the 1st quarter of 2011, compared with 6.4 per cent in the same period in 2010. The development is owing to fewer rolling stock failures and fewer track works.



6. Depreciation, amortisation and write-downs, net financials and financial ratios

Depreciation, amortisation and write-downs

Depreciation, amortisation and write-downs increased by DKK 32 million and totalled DKK 380 million (DKK 348 million). The increase is primarily due to more IC4 and Øresund train sets being put into service and depreciation on more heavy maintenance on own trains.

Increase in investments

In the 1st quarter of 2011 DSB invested DKK 646 million (DKK 369 million). The increase is primarily due to investments in IC4 and Øresund train sets as well as more heavy maintenance on own trains.

Net financials

In the 1st quarter of 2011 net financials represented a cost of DKK 110 million (DKK 109 million).

Development in financial ratios

In general, the development in results has influenced the development in financial ratios negatively. The operating profit margin thus fell from 20.0 to 18.1 and the profit margin from 5.5 to 3.5. The return on equity is down from 0.9 to -0.8.

Return on invested capital after tax (ROIC after tax) stood at 1.5 in the 1st quarter of 2011, which is 0.6 percentage points less than in 2010.

Gearing was 6.3 in the 1st quarter of 2011, which is a minor increase of 0.2 percentage points compared with 2010.

The solvency ratio stood at 25.8 at 31 March 2011 compared with 28.9 percentage points at the end of the 1st quarter of 2010.

Interest cover was 0.9 in 1st quarter of 2011, compared with 1.2 in 2010.

7. Balance sheet items

Balance sheet total decreased

The Group's balance sheet total stood at DKK 25,400 million at 31 March 2011, compared with DKK 25,776 million at year-end 2010, which is a decrease of DKK 376 million. The decrease is primarily due to a decrease in current assets.

Equity stood at DKK 6,542 million, which is DKK 71 million less than at the end of 2010. This is primarily due to an increased value adjustment of hedging instruments at 31 March 2011 than at year-end 2010.

Provisions decreased from DKK 2,499 million at year-end 2010 to DKK 2,406 million at 31 March 2011. The development is primarily owing to the use of DKK 51 million to cover the loss in DSBFirst Øresund. The provision was recognised in the annual accounts for 2010 a part of the DKK 725 million concerning DSBFirst Øresund.

Total liabilities stood at DKK 16,455 million at 31 March 2011, which is DKK 208 million less than at year-end 2010.

8. Expectations for profit before tax in 2011

In 2011 the DSB Group's profit before tax is expected to be around DKK 200-250 million, excluding expenses to possible restructurings and possible changes in provisions concerning DSBFirst Øresund. Profits from sales of property is expected to total DKK 140 million and discounts from AnsaldoBreda to total DKK 70 million. At the presentation of the annual accounts for 2010, the Group's profit before tax was expected to be around DKK 300 million. The change is primarily due to costs in connection with the initiated investigations concerning DSBFirst Øresund and the leasing of double deckers as a result of the delay in the IC4 delivery.

9. Accounting policies

The quarterly report for the Independent Public Company DSB is presented in accordance with the provisions of the Danish Financial Statements Act for Class D companies, Danish Accounting Standards and the Act on the Independent Public Company DSB and on DSB S-tog A/S.

The quarterly report is presented according to the same accounting policies as for 2010.

10. Subsequent events after 31 March 2011

DSB's Chairman of the Board of Directors, Mogens Granborg, decided to step down from the position as chairman at DSB's annual company meeting on 27 April.

On 9 May, the Government appointed Peter Schütze Chairman of the Board of Directors of DSB. An extraordinary company meeting has been called on 1 June 2011 to confirm the election and appointment of the new chairman of DSB's Board of Directors.

The process to find a new CEO for DSB is in full progress and the Board of Directors expects to have found a new candidate by this summer. Acting CEO Klaus Pedersen has resigned his position to take over a new job in the autumn of 2011.

At the company meeting on 27 April it was decided to carry out a new tendering process for the auditing of DSB.

The CEO for DSB Vedligehold A/S and former Finance Director in DSB, Bartal Kass, was dismissed on 27 April. The reason was a combination of lacking results in the new company, DSB Vedligehold A/S and the development in DSBFirst Øresund.

As a result of the unsatisfactory results in DSBFirst Øresund the CEO of DSBFirst and DSB Sverige A/S, Karsten Røn Andersen, was also dismissed on 5 May 2011. As new acting CEO in DSBFirst and DSB Sverige, DSB's management appointed Gert Frost, who is currently CEO of DSB S-tog a/s and also part of DSB's corporate management.

11. Financial calendar 2011

Expected publication of interim reports:

Interim report 2011:	22 August 2011
3rd quarter 2011:	17 November 2011

The quarterly report for the 1st quarter of 2011 is available at www.dsb.dk.

Management statement

The Board of Directors and the Executive Board have today discussed and approved the quarterly report for the period 1 January - 31 March 2011 for DSB.

Significant uncertainties continue to exist with regard to the recognised provisions totalling DKK 422 million and write-downs totalling DKK 303 million before tax relating to DSBFirst Øresund, which was made per 31 December 2010. The calculation of the DKK 725 million was based on a number of assumptions. The actual outcome may prove to deviate significantly positively as well as negatively from the preliminary estimate.

The quarterly report, which has neither been audited or reviewed by the company's auditors, is presented in accordance with the Danish Financial Statements Act, Danish Accounting Standards and the Act on the Independent Public Company DSB and on DSB S-tog A/S. We consider the accounting policies applied to be appropriate. Accordingly the quarterly report gives a true and fair review of the Group's assets, liabilities and financial position at 31 March 2011 and the results of the Group's activities and the cash flows of the Group for the period from 1 January - 31 March 2011.

It is also our view that the quarterly report contains a well-founded assessment of the development in the Group's activities and financial conditions, the result for the year and the Group's financial position in general and a description of the most important risks and uncertainty factors to which the Group is subject.

Copenhagen, 25 May 2011

Executive Board

Klaus Pedersen
Acting CEO

Board of Directors

Annette Sadolin
Vice Chairman

Lars Andersen

Lotte Littau Kjærgaard

Lilian Merete Mogensen

Jens Iwer Petersen

Andreas Hasle

Hans Christian
Kirketerp-Møller

Preben Steenholdt Petersen

Profit and loss account 1 January - 31 March

Amounts in DKK million	1st quarter		Growth	
	2011	2010	Abs.	Rel.
Revenues				
Net turnover	2,604	2,401	203	8%
Other operating income	154	151	3	2%
Work performed by the enterprise and capitalised	108	114	-6	-5%
Total income	2,866	2,666	200	8%
Expenses				
Costs of raw materials and consumables	448	455	7	2%
Other external expenses	772	677	-95	-14%
Staff expenses	1,174	1,055	-119	-11%
Total expenses	2,394	2,187	-207	-9%
Profit before depreciation and write-downs	472	479	-7	-1%
Depreciation and write-downs on intangible and tangible fixed assets	380	348	-32	-9%
Operating profit	92	131	-39	-30%
Net financials				
Result after tax in associated companies	-7	-4	-3	-75%
Financial income	6	35	-29	-83%
Financial expenses	109	140	31	22%
Total net financials	-110	-109	-1	-1%
Profit before tax	-18	22	-40	-182%
Tax				
Tax on the profit for the year	-3	4	7	175%
Adjustment of tax relating to previous years	0	1	1	-
Total tax	-3	5	8	160%
Profit for the year	-15	17	-32	-188%
The profit for the year is allocated as follows:				
DSB	-13	18		
Minority interests	-2	-1		
Profit for the year	-15	17		

Balance sheet - Assets

Amounts in DKK million	31.3. 2011	31.12. 2010	31.3. 2010
Intangible fixed assets			
Rights	53	54	0
Completed development projects	258	231	192
Projects in progress	109	100	44
Total intangible fixed assets	420	385	236
Tangible fixed assets			
Land and buildings	5,586	5,577	5,568
Rolling stock	11,234	11,018	10,499
Operating equipment, fixtures and fittings and other equipment	1,349	1,389	1,441
Tangible fixed assets in progress and prepayments	3,709	3,802	3,660
Total tangible fixed assets	21,878	21,786	21,168
Financial fixed assets			
Investments in associated companies	69	80	80
Subordinate loan capital in associated company	232	231	226
Other investments	171	171	172
Other receivables	433	499	293
Total financial fixed assets	905	981	771
Total fixed assets	23,203	23,152	22,175
Stocks	343	404	425
Receivables			
Trade receivables	555	460	463
Receivable from associated company	39	39	0
Other receivables	848	1,192	1,746
Prepayments and accrued income	241	238	196
Total receivables	1,683	1,929	2,405
Cash at bank and in hand	171	291	70
Total current assets	2,197	2,624	2,900
Total assets	25,400	25,776	25,075

Balance sheet - equity and liabilities

Amounts in DKK million	31.3. 2011	31.12. 2010	31.3. 2010
Equity			
Contributed capital	4,761	4,761	4,761
Retained earnings	1,481	1,552	2,320
Proposed dividend	300	300	158
Total equity	6,542	6,613	7,239
Minority interests	-3	1	13
Total equity and minority interests	6,539	6,614	7,252
Provisions			
Other provisions	999	1,076	625
Deferred tax liabilities	1,407	1,423	1,386
Total provisions	2,406	2,499	2,011
Non-current liabilities			
Long-term loans	10,268	10,057	7,544
Subordinate loan capital	6	6	6
Other non-current liabilities	747	279	497
Total non-current liabilities	11,021	10,342	8,047
Current liabilities			
Current portion of non-current liabilities	886	1,163	2,778
Short term loans	350	650	1,000
Credit institutions	511	607	200
Accounts payable	613	865	566
Other liabilities	2,361	2,371	2,298
Accruals and deferred income	713	665	923
Total current liabilities	5,434	6,321	7,765
Total liabilities	16,455	16,663	15,812
Total equity and liabilities	25,400	25,776	25,075

Amounts in DKK million	Contributed capital	Retained earnings	Proposed dividend	Total Equity
Equity at 1 January 2010	4,761	2,429	158	7,348
Profit for the period	-	17	-	17
Exchange rate adjustment re. affiliated companies	-	5	-	5
Value adjustment of hedging instruments at 1 January	-	363	-	363
Value adjustment of hedging instruments 31 December	-	-494	-	-494
Equity at 31 March 2010	4,761	2,320	158	7,239
Dividend paid	-	-	-158	-158
Profit for the period	-	-891	300	-591
Exchange rate adjustment re. affiliated companies	-	16	-	16
Value adjustment of hedging instruments at 1 April	-	494	-	494
Value adjustment of hedging instruments at 31 December	-	-387	-	-387
Equity at 31 December 2010	4,761	1,552	300	6,613
Profit for the period	-	-13	-	-13
Value adjustment of hedging instruments at 1 January	-	387	-	387
Value adjustment of hedging instruments at 31 March	-	-445	-	-445
Equity at 31 March 2011	4,761	1,481	300	6,542

Cash flow statement

Amounts in DKK million	1st quarter		Growth	
	2011	2010	Abs.	Rel.
Operating profit	92	131	-39	-30%
Adjustment for non-cash operating items, etc.				
Depreciation and write downs on intangible and tangible fixed assets	380	348	32	9%
Change in other provisions, net	-81	-29	-52	-179%
Profit on sale of intangible and tangible fixed assets, net	11	1	10	-
Net financials, paid	-60	-47	-13	-28%
Income taxes, paid	-2	0	-2	-
Cash flow from operating activities before change in working capital	340	404	-64	-16%
Change in working capital				
Change in receivables	225	394	-169	-43%
Change in stocks	61	14	47	-
Change in accounts payable and other liabilities, etc.	-4	-303	299	99%
Total cash flow from operating activities	622	509	113	22%
Acquisition of intangible and tangible fixed assets, excl. capitalised interest	-645	-367	-278	-76%
Sale of intangible and tangible fixed assets etc.	138	2	136	-
Investment of subordinate loan capital in associated company	-1	-2	1	50%
Total cash flow to investing activities	-508	-367	-141	-38%
Proceeds from long-term loans	500	172	328	191%
Proceeds from short-term loans	-	600	600	-
Repayments of and instalments on long-term loans	-329	-45	-284	-
Repayments of and instalments on short-term loans	-300	-536	236	44%
Capitalised interest	-9	0	-9	-
Total cash flow from/to financing activities	-138	191	-329	-172%
Total change in cash at bank and in hand	-24	333	-357	-107%
Cash at bank and in hand at the beginning of the year	-316	-463	147	32%
Cash at bank and in hand at the end of the period	-340	-130	-210	-162%
Cash can be specified as follows:				
Liquid funds	171	70	101	144%
Credit institutions	-511	-200	-311	-156%

The cash flow statement cannot be derived directly from the profit and loss account and balance sheet.

Key figures for profit and loss account (unaudited)

Amounts in DKK million	2010				2011
	1Q	2Q	3Q	4Q	1Q
Passenger revenues	1,005	1,156	1,020	1,148	1,025
Revenue from transport contracts	1,116	1,170	1,152	1,112	1,298
Shop sales, etc.	212	228	210	223	185
Sale of repair and maintenance of rolling stock, etc.	26	26	44	41	39
Leasing of rolling stock	42	45	48	52	57
Net turnover	2,401	2,625	2,474	2,576	2,604
Other operating income	114	200	101	183	154
Work performed by the enterprise and capitalised	151	167	137	267	108
Total income	2,666	2,992	2,712	3,026	2,866
Total expenses	2,187	2,368	2,221	3,082	2,394
Profit before depreciation and write-downs	479	624	491	-56	472
Depreciation and write-downs on intangible and tangible fixed assets	348	350	375	566	380
Operating profit	131	274	116	-622	92
Net financials	-109	-113	-105	-123	-110
Profit before tax	22	161	11	-745	-18
Profit for the period	17	120	9	-720	-15
Total equity	7,239	7,072	6,963	6,613	6,542
Operating profit margin (EBITDA margin)	20.0%	23.8%	19.8%	-2.2%	18.1%
Return on equity (ROE) p.a.	0.9%	3.4%	1.2%	-20.9%	-0.8%
Return on invested capital after tax (ROIC after tax) p.a.	2.1%	4.4%	1.9%	-13.3%	1.5%