

Intel Copenhagen ApS

c/o Intel Mobile Communications Denmark ApS
Alfred Nobels Vej 25, DK-9220 Aalborg Øst

CVR no. 11 98 76 48



Annual report 2015

Approved at the annual general meeting of shareholders on ^{15 June}~~27 May~~ 2016

Chairman:



Building a better
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Contents

Statement by the Board of Directors	2
Independent auditors' report	3
Management's review	4
Company details	4
Operating review	5
Financial statements for the period 1 January - 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9



Statement by the Board of Directors

The Board of Directors has today discussed and approved the annual report of Intel Copenhagen ApS for the financial year 1 January - 31 December 2015.


The annual report is prepared in accordance with the Danish Financial Statements Act.


In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

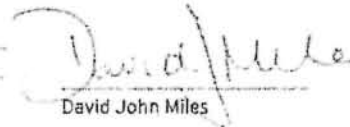
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Aarhus, 27 May 2016
Board of Directors:


Nicholas John Hudson
Chairman


Jonathan Laurence Weeks


David John Miles


Tiffany Odon Silva



Independent auditors' report

To the shareholders of Intel Copenhagen ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Intel Copenhagen ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 auditors consider 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 opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 27 May 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28


Hans Peter Roug
State Authorised Public Accountant


Jan Krarup Mortensen
State Authorised Public Accountant



Management's review

Company details

Name	Intel Copenhagen ApS
Address, Postal code, City	Alfred Nobels Vej 25, DK-9220 Aalborg Øst
CVR No.	11 98 76 48
Financial year	1 January - 31 December
Board of Directors	Nicholas John Hudson, Chairman Jonathan Laurence Weeks David John Miles Tiffany Doon Silva
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark

Management's review

Operating review

The Company's business review

Intel Copenhagen ApS is an indirect wholly-owned subsidiary of Intel Corporation Inc.

The Company's activities are to provide services to support and facilitate the selling, marketing and distribution activities of Intel Corporation (UK) Ltd.

Recognition and measurement uncertainties

Intel Copenhagen ApS settled its agreed tax liability in full during 2014. The only point outstanding is whether Intel Copenhagne ApS is entitled to a refund of excess interest paid. The Company's legal advisers have written to SKAT requesting repayment of the excess interest paid. Intel Copenhagen ApS is currently awaiting the tax authorities' response. No asset has been recognised in this regard.

Financial review

The income statement for 2015 shows a profit of DKK 3,638 thousand against a loss of DKK 4,731 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 80,663 thousand.

Non-financial matters

The Company has signed agreements with group entities regarding compensation of expenses incurred in connection with the development, manufacturing, sales and marketing of products on behalf of the owners of the product rights.

In 2015, the Company has sold the subsidiary in Lithuania, UAB Intel Vilnius.

Post balance sheet events

No significant events have occurred subsequent to the financial year-end.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
	Revenue	0	4,284
	Other external expenses	0	-1,498
	Gross profit	0	2,786
2	Staff costs	0	-2,435
	Operating profit	0	351
	Income from investments in group entities	1,911	292
3	Financial income	16	643
4	Financial expenses	-2,197	-241
	Profit/loss before tax	-270	1,045
5	Tax for the year	3,908	-5,776
	Profit/loss for the year	3,638	-4,731
	Proposed profit appropriation/distribution of loss		
	Net revaluation reserve according to the equity method	0	292
	Retained earnings/accumulated loss	3,638	-5,023
		3,638	-4,731

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
	Investments		
	Investments in group entities, net asset value	0	2,943
		<u>0</u>	<u>2,943</u>
	Total non-current assets	<u>0</u>	<u>2,943</u>
	Current assets		
	Receivables		
	Receivables from group entities	10,301	29,364
	Income taxes receivable	0	9,099
	Other receivables	0	1,541
	Contributed capital in arrears	0	9,734
		<u>10,301</u>	<u>49,738</u>
	Cash	<u>76,672</u>	<u>39,261</u>
	Total current assets	<u>86,973</u>	<u>88,999</u>
	TOTAL ASSETS	<u>86,973</u>	<u>91,942</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	2,050	2,050
	Net revaluation reserve according to the equity method	1,214	1,214
	Reserve for non-paid-in capital	0	9,734
	Retained earnings	77,399	73,761
	Total equity	<u>80,663</u>	<u>86,759</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	14	39
	Payables to group entities	6,296	4,392
	Other payables	0	752
		<u>6,310</u>	<u>5,183</u>
	Total liabilities other than provisions	<u>6,310</u>	<u>5,183</u>
	TOTAL EQUITY AND LIABILITIES	<u>86,973</u>	<u>91,942</u>

1 Accounting policies

7 Contractual obligations and contingencies, etc.

8 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Reserve for non-paid-in capital	Retained earnings	Total
Equity at 1 January 2015	2,050	1,214	9,734	73,761	86,759
Profit/loss for the year	0	0	0	3,638	3,638
Payment of share capital receivable	0	0	-9,734	0	-9,734
Equity at 31 December 2015	2,050	1,214	0	77,399	80,663

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Intel Copenhagen ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner.

Income statement

Revenue

The compensation model used by Intel Corporation (UK) Ltd. for all of its affiliates in Europe, the Middle East and Africa (EMEA Region), including Intel Copenhagen ApS, is a cost-plus method.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, at a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, at a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment to the extent that the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' to the extent that the parent has a legal or constructive obligation to cover the deficit.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired, in which case the carrying amount is reduced to the net realisable value.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2015	2014
2 Staff costs		
Wages/salaries	0	1,637
Other staff costs	0	798
	<u>0</u>	<u>2,435</u>

Incentive programmes

The Company's employees and the Executive Board and other executives participate in the Intel Group's stock purchase programme on equal terms. Further, the Company's employees, the Executive Board and other executives participate in the stock option programme of the Intel Group. The number of stock options granted depends on the position and seniority of the individual employees, while exercise prices and maturity dates are the same.

In addition, the Company operates two bonus schemes where bonuses are partially based on the financial performance of the Intel Group and partially on the fulfilment of performance criteria for the division in the Intel Group to which the individual department belongs.

DKK'000	2015	2014
3 Financial income		
Interest receivable, group entities	16	643
	<u>16</u>	<u>643</u>
4 Financial expenses		
Interest expenses, group entities	2,143	1,762
Other financial expenses	54	-1,521
	<u>2,197</u>	<u>241</u>
5 Tax for the year		
Tax adjustments, prior years	-3,908	5,776
	<u>-3,908</u>	<u>5,776</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK'000	2015	2014
6 Share capital		
The share capital consists of the following:		
4,100 shares of DKK 500.00 each	2,050	2,050
	<u>2,050</u>	<u>2,050</u>

Analysis of changes in the share capital over the past 5 years:

DKK'000	2015	2014	2013	2012	2011
Opening balance	2,050	2,045	0	0	0
Capital increase	0	5	2,045	2,045	2,045
	<u>2,050</u>	<u>2,050</u>	<u>2,045</u>	<u>2,045</u>	<u>2,045</u>

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its Danish affiliated companies, Intel Denmark ApS, Intel Mobile Communications Denmark ApS and McAfee ApS. Intel Mobile Communications Denmark ApS acts as management company.

8 Related parties

Intel Copenhagen ApS' related parties comprise the following:

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Intel Corporation Inc.	2200 Mission College Blvd., Santa Clara, CA 95054, USA	2200 Mission College Blvd., Santa Clara, CA 95054, USA

Related party transactions not carried through on normal market terms

All related party transactions have been carried out on normal market terms.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

Name	Domicile
Intel Europe Inc.	CT Corporation System 818 West 7th Street Los Angeles, California, US 90017