

UPS Danmark A/S
Central Business Registration No
14553800
Naverland 7
2600 Glostrup

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Jose Maria Odriozola Cuende

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Entity details

Entity

UPS Danmark A/S
Naverland 7
2600 Glostrup

Central Business Registration No: 14553800

Registered in: Albertslund

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Anne Kathryn Melaragni

Nando Cesarone

Jose Maria Odriozola Cuende

Hans Michael Mensing

Executive Board

Jose Maria Odriozola Cuende, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of UPS Danmark A/S for the financial year 01.01.2015 - 31.12.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Glostrup, 31.05.2016

Executive Board

Jose Maria Odriozola Cuende
Chief Executive Officer

Board of Directors

Anne Kathryn Melaragni

Nando Cesarone

Jose Maria Odriozola Cuende

Hans Michael Mensing

Independent auditor's reports

To the owner of UPS Danmark A/S

Report on the financial statements

We have audited the financial statements of UPS Danmark A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

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

Copenhagen, 31.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Martin Juul Møller
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	993.092	942.467	902.701	908.465	866.411
Gross profit/loss	218.104	193.666	182.714	185.815	172.585
Operating profit/loss	26.193	17.006	18.559	22.482	12.426
Net financials	(438)	(344)	(540)	(82)	(54)
Profit/loss for the year	19.642	12.288	13.248	16.675	9.116
Total assets	344.437	314.099	322.572	235.352	241.176
Investments in property, plant and equipment	12.341	5.852	6.088	2.375	21.320
Equity	72.216	52.574	40.286	27.038	10.363
Invested capital including goodwill	120.230	109.945	87.426	98.924	91.947
Interest bearing debt, net	48.014	57.371	47.140	71.886	81.584
Employees in average	531	507	503	489	491
Ratios					
Gross margin (%)	22,0	20,5	20,2	20,5	19,9
Net margin (%)	2,0	1,3	1,5	1,8	1,1
Return on invested capital including goodwill (%)	21,8	15,5	21,2	22,7	13,5
Turnover invested capital	8,3	8,6	10,3	9,2	9,4
Financial gearing (%)	0,7	1,1	1,2	2,7	7,9
Return on equity (%)	31,5	26,5	39,4	89,2	39,1
Solvency ratio (%)	20,1	16,7	12,5	11,5	4,3

Management commentary

Primary activities

The Company's primary activity is distribution of international packages.

Development in activities and finances

The performance for 2015 has been satisfactory. The total package volume experienced high single digit growth versus the prior year.

Outlook

The Company expects to increase the rate of growth in 2016 above the level attained in 2015 and will continue to operate a targeted approach to revenue management with a view to protecting margins.

Exports are projected to pick up over the next two years, supported by increased growth in key Danish export markets and improved competitiveness. The Company has proven abilities to grow faster than the market and will seek to reaffirm its market presence through its wide portfolio of worldwide logistics services and further capacity investments as exports grow stronger.

Particular risks

The Company's most significant operating risk is related to the ability to maintain a strong position in the market.

The Company's financial transactions are predominantly in DKK, meaning that only a limited exposure to changes in foreign exchange rates exists.

Credit risks related to financial assets correspond to the values recognised in the balance sheet. The Company has no significant risks related to single customers or cooperative partners.

Intellectual capital resources

Appropriate descriptions of the UPS activities are maintained at group level by United Parcel Service of America, Inc., including descriptions of environmental performance, intellectual property rights and research and development activities. Please refer to the Ultimate Parent's latest published annual report.

Corporate social responsibility

Environment

We are committed to conducting our business in a manner that protects the environment. Our commitment to the environment goes beyond complying with environmental laws and includes a commitment to advancing programmes that promote a reduction of our carbon footprint while improving the environment. Everyone who is part of the UPS organisation is expected to support our effort to maintain a leadership role in protecting the environment.

Management commentary

Through the Corporate Environmental Affairs Department, we have established site-specific and activity-specific environmental compliance and pollution prevention programmes to address our environmental responsibilities. We continually evaluate improved technology and seek opportunities to improve environmental performance.

Our environmental responsibilities include:

- Properly storing, handling, and disposing of hazardous and other waste.
- Managing wastewater and storm water in compliance with applicable regulations.
- Monitoring and maintaining the integrity of storage tanks.
- Complying with laws regarding clean air and noise pollution.
- Protecting against and appropriately responding to spills and releases.
- Seeking ways to minimise waste, conserve resources, and prevent pollution.
- Working with manufacturers to develop alternative fuel and hybrid vehicles in an effort to reduce our carbon footprint.

Climate

Addressing climate change is a huge challenge. At UPS, we tackle major issues by combining global strategies with everyday actions that collectively add up to a big difference.

For example, our drivers carefully avoided millions of miles of driving in 2015, which saved energy and avoided greenhouse gas emissions. We filled trucks, planes, railcars, and ships for maximum efficiency, so we would not waste fuel. And our pilots used a range of advanced techniques to span the globe as quietly and cleanly as possible. The big strategic things also make a difference. Behind the scenes, we invested in vehicles that use low-emission fuels, in information technology that cuts down the miles we drive and fly, and in societal efforts to develop more sustainable fuels. We understand the environmental challenges facing our society, and we are committed to finding more and better solutions wherever we can.

Working environment

The well-being of our people is of utmost importance to UPS. We are committed to protecting the health, wellness, and safety of each UPS employee. We strive to protect our people, customers, and the public from injury and illness through our health and safety programmes. Government regulatory standards and employee input are used to develop comprehensive programmes and work processes that are designed to promote safe workplaces and good health. We all are responsible for understanding and complying with UPS health and safety processes, procedures, and guidelines, as well as those issued by applicable regulatory authorities.

Management commentary

Anti-corruption

As a U.S.-based corporation, UPS, its employees, and its representatives, are subject to the U.S. anti-bribery laws that are enforceable worldwide and cover all UPS operations, including all businesses, joint ventures, agents, and third-party representatives (such as independent contractors, general sales agents, customs brokers, immigration agents, and tax agents, among others). Anti-bribery laws include the U.S. Foreign Corrupt Practices Act (FCPA) and all such laws of the countries in which we operate.

Broadly speaking, the FCPA and other anti-bribery laws prohibit UPS (or any of its worldwide businesses, affiliates, employees, or representatives) from bribing - or offering, promising, or authorising anything of value to - a foreign government official or employee in order to obtain or retain business in an improper manner. We must be aware of these strict prohibitions even when considering such hospitality as meals, entertainment, gifts, or sponsorships involving a foreign government official or employee. We conduct our business in accordance with the FCPA and all applicable anti-bribery laws, and everyone of us, regardless of the country in which we work, must adhere to its requirements.

Human rights

UPS supports the protection of basic human rights throughout its worldwide operations.

As a global company, UPS recognises that it plays a role in acknowledging basic human rights in accordance with our high standards for the treatment of people. Basic human rights address areas such as equality among people, employee well-being and security, personal freedom from persecution, and economic, social, and cultural freedom.

For further information on the Company's corporate social responsibility please refer to the sustainability report 2014 published by the Ultimate Parent's website <http://sustainability.ups.com/sustainability-reporting/>

Gender policy

The share of women at the Board of Directors of UPS Danmark A/S constitutes 25%, corresponding to one out of four board members. Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target is to keep the minimum share of women at the Board of Directors at 33.33% until 2017. This is considered an achievable target figure and corresponds to an already achieved equal gender representation cf. the Danish Financial Statement Act. In relation to other management levels, the share of women in management positions within UPS Danmark A/S is currently 17%. Whilst there is no legal requirement in relation to specific quotas of female representation in corporate management, UPS Danmark A/S is currently above its target of 15%.

UPS is an equal opportunity employer and diversity and inclusion are at the core of its recruitment and promotion policies and practices. The Company generally fills management positions from within the organisation

Management commentary

through an impartial process open to all employees. It may, however, fill a vacancy with an external candidate if there is a need for additional professional or technical skills and other work experience.

We believe that impartiality is the foundation of a loyal, motivated workgroup. We make decisions that affect our employees in a fair and consistent manner, without actual or perceived special treatment to any individual.

The UPS European Diversity and Inclusion Council works actively to build upon existing recruitment and personnel development practices in order to improve gender balance across the organisation. In order to drive improvement to the gender balance in locations where a certain gender may be underrepresented, the Company's Human Resources group uses reporting and visibility tools actively to track and draw attention to the gender gap and measure progress. Representatives from this group participate actively along with a panel of senior management in the candidate identification and selection process for management promotions.

The Company launched a local chapter of the UPS Women Leadership Development Business Resource Group in November 2015. The objective of the group is to provide a supportive environment that encourages and enables the attraction, development, and retention of women through networking, mentoring, education, and community-based involvement. In 2016 the group will actively drive community as well as internal and external networking activities.

In the fiscal year 2015 there were no significant changes to the gender composition of the management team. In February 2016 Cindy Jayne Miller moved to a different position within UPS and Nando Cesarone was appointed as Director. The Company is targeting an improvement to gender balance in 2017.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would impact the results presented in these financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Fixed assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made and risk has passed to the buyer i.e. when invoiced. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Production costs

Production costs comprise expenses incurred to earn revenue for the financial year. Production costs comprise direct and indirect costs of parcel post, including costs for wages and salaries, rent and lease as well as depreciation and impairment losses relating to property, plant and equipment.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as depreciation and impairment losses relating to property, plant and equipment.

Other financial income

Other financial income comprises interest income, net capital gains on securities, payables and transactions in foreign currencies, cash discounts, etc as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital losses on securities, payables and transactions in foreign currencies, cash discounts, etc as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Danish sister subsidiary. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Accounting policies

Tools and equipment	8-8 1/3 years
Computer hardware	5 years
Operating equipment	8-9 years
Leasehold improvements	8 years

Depreciation is recognised in the income statement under production costs and administrative costs, respectively.

Individual assets costing less than DKK 12,800 per unit are recognised as costs in the income statement at the time of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86 of the Danish Financial Statements Act, the Company has not prepared any cash flow statement as such statement is prepared by the higher-level group.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on invested capital incl goodwill (%)	$\frac{\text{EBITA} \times 100}{\text{Average invested capital incl goodwill}}$	The return generated by the Entity on the investors' funds.
Revenue/Invested capital incl goodwill	$\frac{\text{Revenue}}{\text{Average invested capital incl goodwill}}$	Turnover rate of capital employed by the Entity.
Financial gearing	$\frac{\text{Net interest-bearing debt}}{\text{Equity}}$	The Entity's financial gearing..
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Accounting policies

EBITA (Earnings Before Interest, Tax and Amortisation) is defined as operating profit plus the year's amortisation of and impairment losses relating to intangible assets including goodwill.

Invested capital including goodwill is defined as net working capital plus the carrying amount of property, plant and equipment as well as other provisions.

Net working capital is defined as receivables and other operating current assets net of trade payables and other short-term operating liabilities. Income taxes receivable and payable as well as cash are not included in net working capital.

Net interest-bearing debt is defined as interest-bearing liabilities, including income tax payable, net of interest-bearing assets, including cash.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	993.092	942.467
Production costs	3, 4	<u>(774.988)</u>	<u>(748.801)</u>
Gross profit/loss		218.104	193.666
Administrative costs	2, 3, 4	<u>(191.911)</u>	<u>(176.660)</u>
Operating profit/loss		26.193	17.006
Other financial income		47	179
Other financial expenses		<u>(485)</u>	<u>(523)</u>
Profit/loss from ordinary activities before tax		25.755	16.662
Tax on profit/loss from ordinary activities	5	<u>(6.113)</u>	<u>(4.374)</u>
Profit/loss for the year		<u>19.642</u>	<u>12.288</u>
Proposed distribution of profit/loss			
Retained earnings		<u>19.642</u>	<u>12.288</u>
		<u>19.642</u>	<u>12.288</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Other fixtures and fittings, tools and equipment		43.472	29.522
Leasehold improvements		21.118	173
Property, plant and equipment in progress		205	33.858
Property, plant and equipment	6	<u>64.795</u>	<u>63.553</u>
Deposits		1.258	1.249
Fixed asset investments	7	<u>1.258</u>	<u>1.249</u>
Fixed assets		<u>66.053</u>	<u>64.802</u>
Trade receivables		115.966	111.120
Receivables from group enterprises		160.371	136.236
Other short-term receivables		1.566	51
Prepayments	8	215	341
Receivables		<u>278.118</u>	<u>247.748</u>
Cash		<u>266</u>	<u>1.549</u>
Current assets		<u>278.384</u>	<u>249.297</u>
Assets		<u><u>344.437</u></u>	<u><u>314.099</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	9	1.000	1.000
Retained earnings		<u>71.216</u>	<u>51.574</u>
Equity		<u>72.216</u>	<u>52.574</u>
Provisions for deferred tax	10	<u>1.394</u>	<u>5</u>
Provisions		<u>1.394</u>	<u>5</u>
Bank loans		3.157	0
Trade payables		4.498	6.762
Debt to group enterprises		205.444	195.018
Income tax payable		50	138
Other payables	11	<u>57.678</u>	<u>59.602</u>
Current liabilities other than provisions		<u>270.827</u>	<u>261.520</u>
Liabilities other than provisions		<u>270.827</u>	<u>261.520</u>
Equity and liabilities		<u><u>344.437</u></u>	<u><u>314.099</u></u>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with control	14		
Ownership	15		
Consolidation	16		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.000	51.574	52.574
Profit/loss for the year	0	19.642	19.642
Equity end of year	1.000	71.216	72.216

Notes

1. Revenue

The Company is engaged solely within the business segment “distribution of international package delivery in Denmark”.

	2015	2014
	DKK'000	DKK'000
2. Fees to the auditor appointed by the Annual General Meeting		
Statutory audit services	76	80
Tax services	40	38
Other services	42	40
	158	158

	2015	2014
	DKK'000	DKK'000
3. Staff costs		
Wages and salaries	204.628	193.746
Pension costs	19.208	17.967
Other social security costs	4.161	6.405
	227.997	218.118

Number of employees at balance sheet date	531	507
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Staff costs have been recognised in the income statement as follows:

	2015	2014
	DKK'000	DKK'000
Production costs	90.384	86.315
Administrative costs	137.613	131.803
	227.997	218.118

Remuneration for members of Management

No remuneration has been paid to the Executive Board or other executives, and no remuneration has been paid to the Company's Board of Directors.

Notes

	2015	2014
	DKK'000	DKK'000
4. Depreciation, amortisation and impairment losses		
Depreciation on property, plant and equipment	11.032	7.758
Profit/loss from sale of intangible assets and property, plant and equipment	16	7
	11.048	7.765

Depreciation and impairment losses have been recognised in the income statement as follows:

	2015	2014
	DKK'000	DKK'000
Production costs	5.753	6.229
Administrative costs	5.295	1.536
	11.048	7.765

	2015	2014
	DKK'000	DKK'000
5. Tax on ordinary profit/loss for the year		
Current tax	4.682	4.316
Change in deferred tax for the year	1.390	(106)
Adjustment relating to previous years	41	164
	6.113	4.374

Notes

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
6. Property, plant and equipment			
Cost beginning of year	91.771	1.747	33.858
Transfer to and from other items	15.747	18.103	(33.851)
Additions	7.523	4.620	198
Disposals	(233)	(49)	0
Cost end of year	114.808	24.421	205
Depreciation and impairment losses beginning of the year	(62.249)	(1.574)	0
Depreciation for the year	(9.254)	(1.778)	0
Reversal regarding disposals	167	49	0
Depreciation and impairment losses end of the year	(71.336)	(3.303)	0
Carrying amount end of year	43.472	21.118	205
			Deposits DKK'000
7. Fixed asset investments			
Cost beginning of year			1.249
Additions			9
Cost end of year			1.258
Carrying amount end of year			1.258
8. Prepayments			
Prepayments recognised as current assets relate to prepaid expenses.			
	Number	Par value DKK	Nominal value DKK'000
9. Contributed capital			
Ordinary shares	1.000	1.000,00	1.000
	1.000		1.000

The ordinary shares have not been divided into classes.

There have been no changes in the share capital in the past five years.

Notes

	2015	2014
	DKK'000	DKK'000
10. Deferred tax		
Property, plant and equipment	2.744	1.780
Receivables	<u>(1.354)</u>	<u>(1.775)</u>
	<u>1.390</u>	<u>5</u>
	2015	2014
	DKK'000	DKK'000
11. Other short-term payables		
VAT and duties	4.392	4.788
Wages and salaries, personal income taxes, social security costs, etc. payable	4.312	3.749
Holiday pay obligation	29.854	26.163
Other costs payable	<u>19.120</u>	<u>24.902</u>
	<u>57.678</u>	<u>59.602</u>
	2015	2014
	DKK'000	DKK'000
13. Contingent liabilities		
Recourse and non-recourse guarantee commitments	<u>33.145</u>	<u>36.215</u>
Contingent liabilities	<u>33.145</u>	<u>36.215</u>

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

14. Related parties with control

As part of the UPS Group, sale and purchase of consignments take place among the UPS entities. In addition, a considerable part of the marketing and administrative routines in the Danish UPS entity is carried out primarily in cooperation with the other European UPS entities. The amounts of outstanding intra-group balances at the balance sheet date are disclosed in the balance sheet.

Notes

15. Ownership

The following shareholder is registered as holding more than 5% of the voting share capital or more than 5% of the nominal value of share capital:

UPS Corporate Finance S.á.r.l., Contern, Luxembourg

16. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

United Parcel Service of America, Inc., Atlanta, Georgia, USA

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

United Parcel Service of America, Inc., Atlanta, Georgia, USA

The consolidated financial statements can be obtained at www.ups.com.