

nkt cables group a/s
Central Business Registration No
15515872
Vibeholms Allé 25
2605 Brøndby

Annual report 2015

The Annual General Meeting adopted the annual report on 27.05.2016

Chairman of the General Meeting

Name: Hans Flemming Jensen

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Entity details

Entity

nkt cables group a/s
Vibeholms Allé 25
2605 Brøndby

Central Business Registration No: 15515872

Founded: 01.10.1991

Registered in: Brøndby

Financial year: 01.01.2015 - 31.12.2015

Phone: +4543482000

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Board of Directors

Roland Munkerod Andersen

Detlev Waiman

Michael Hedegaard Lyng

Executive Board

Jens Due Olsen, chairman

Janus Hillerup

Michael Hedegaard Lyng

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of nkt cables group 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.

Brøndby, 27.05.2016

Executive Board

Jens Due Olsen
chairman

Janus Hillerup

Michael Hedegaard Lyng

Board of Directors

Roland Munkerod Andersen

Detlev Waiman

Michael Hedegaard Lyng

Independent auditor's reports

To the owner of nkt cables group a/s

Report on the financial statements

We have audited the financial statements of nkt cables group 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.

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, 27.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Lars Siggaard Hansen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

nkt cables group a/s functions as a holding company for the Group's activities and undertakes the tasks related thereto.

Development in activities and finances

Business and financial development in the parent company

General

The financial statements cover investments in the subsidiaries nkt cables a/s, nkt cables Holding AB, nkt cables group GmbH, nkt cables s.r.o., nkt cables Ltd. Changzhou, nkt cables Spain SL, nkt cables Australia Pty Ltd, Unique Vantage Ltd., Unique Vantage cables (Nanjing) Co., Ltd. and nkt cables Ultera a/s, along with their subsidiaries.

Income statement

No dividend has been received in 2015.

Investments in subsidiaries

During 2015 an additional investment of 250 mEUR has been made in the subsidiaries.

Impairment

Impairment losses of EUR 49.748k regarding nkt cables China Ltd. and nkt cables Ultera a/s has been recorded, as the equity value including assessment of future probability potentials of these two subsidiaries are significantly lower than the value of cost. Impairment losses primarily relates to nkt cables China Ltd, due to the market conditions in China.

Equity

No dividend was paid to the parent company NKT Holding in 2015 and no dividend is proposed for the 2015 financial year. In 2015, a capital increase of 250mEUR has been carried out by way of 134 eur injected capital and 250 mEUR in shares premium.

Management commentary

Business and financial development in the investments

PROJECTS

NKT Cables' Projects business is strongly positioned in Europe, being an acknowledged premium player in the high-voltage cable segment for offshore wind power with an estimated 20% market share. In the high-voltage onshore segment, NKT Cables focuses on products and solutions for the upper voltage range.

The 2015 development in the Projects business was primarily driven by a strong 1st half of 2015 with high production activity on the Gemini offshore project. As expected, 2nd half of 2015 saw lower revenue due to timing of offshore cable production related to start-up of new projects, including the Race Bank order.

Two major offshore orders in 2015

NKT Cables was awarded orders in 2015 for two major high-voltage offshore wind farm projects: Race Bank and Galloper. The DONG Energy-owned Race Bank project, with a contract value of EUR 80m (std. metal prices), comprises the supply of more than 150 km of 220 kV high-voltage submarine cable. The cable for the first project phase is to be ready for installation in 2016, while the second phase is scheduled for 2017. The order for the Galloper offshore wind farm has a contract value of EUR 53m (std. metal prices). This project was awarded in a consortium with VBMS and comprises delivery of 94 km of 132 kV high-voltage submarine cable. The cable is to be delivered ready for installation in two phases, late 2016 and 2017.

Satisfactory offshore backlog

Based on current order book, full utilisation of offshore capacity at the Cologne factory is expected in 2016 and well into 2017.

The pipeline of potential new projects is at a satisfactory level and generally the offshore market is characterised by a high level of activity.

Anholt wind farm cable incident

In February 2015, a failure occurred in the high-voltage submarine cable supplied by NKT Cables to connect Denmark's Anholt offshore wind farm to the main grid. As previously announced, NKT Cables assisted Energinet.dk, owner of the Danish transmission network, with fault detection and restoring power.

Stable onshore market

NKT Cables maintained a stable market volume in the onshore segment. Many small-size projects were supplied, including the first two deliveries for a 400 km, 170 kV underground cable project in Northern Europe. The remaining three consignments will be made in 2016.

During 2015 when the production lines in Cologne were fully utilised, certain high-voltage onshore cables were manufactured at the Falun plant in Sweden.

Management commentary

Overall the 2016 order book is at a satisfactory level, currently corresponding to approx. 10 months of manufacture.

As part of the EXCELLENCE 2020 strategy, a turnaround process was initiated for the high-voltage onshore business. The Projects organisation has been revised with the aim of improving end- to-end screening of potential projects to ensure profitability.

Furthermore, focus will be put on improved cost efficiency and on increasing market share for projects in the upper end of the high-voltage range.

High-voltage DC technology potential

Demand for Direct Current (DC) high-voltage cables for both on- and offshore projects is fast growing due to increased focus on renewable energy and a need for a pan-European energy infrastructure. In 2015, NKT Cables initiated a process to explore the opportunities for future market entry in this segment. A three-year project is foreseen covering product development and testing phases. If successful, NKT Cables expects to present its market offering in 2019.

PRODUCTS

NKT Cables' Products activities consist of three business lines: Nordics, Central Europe and Specialties.

NKT Cables' Products business has a number of strongholds in the European market. In the low- and medium-voltage and building wire segments the Nordics business line is a leading player in Denmark and Sweden, while the Central Europe business line holds a strong position particularly in Germany, Czech Republic and Poland. In the railway segment, NKT Cables is the global leader and a world-wide player in the accessories segment.

Nordics

The Nordic business line realised low organic growth in 2015. In the utilities & municipalities segment, medium-voltage infrastructure projects continue to be available in certain markets, while other markets are saturated due to almost completely modernised medium-voltage grids. In the lower 60kV medium-voltage segment, sales increased due to a number of projects particularly in Sweden and the UK, where a major, three-year frame agreement was signed based on new cable designs in the London area.

NKT Cables has developed a new range of halogen-free flame- retardant (HFFR) building wires to be introduced in Sweden in 2016. The new product range complies with new EU directives which will be adapted to local, national standards and implemented in the years ahead.

Central Europe

The Central Europe business line delivered satisfactory organic growth in 2015 due to progress in both the low- and medium- voltage segments, building wires and automotive.

Management commentary

In the utilities & municipalities segment, the positive trend was driven by medium-voltage projects particularly in Germany, supported by the addition of new customers and business areas such as onshore wind farms in Poland.

In the wholesales segment, particularly Poland realised a higher level of construction activity, driven by a government-sponsored support programme. Price increases were successfully implemented in selected markets and optimisation of product and sales mix continued.

The automotive industry was characterised by a higher activity level compared with 2014. Improved margins were driven by leaner manufacturing, lower sourcing costs and an optimised customer portfolio.

Specialties

In 2015, NKT Cables continued optimising its Specialties business line, which covers accessories, cabinets and railway, and satisfactory organic growth was recorded.

The restructuring of the accessories business progressed as planned. Initiatives include cost optimisation of production and procurement, improved sales mix and product development aimed at new markets.

To support the strategy of focusing on core businesses, a review was launched into the future setup of the cabinets business. The review was finalised at end-2015 and the decision to divest cabinet operations was made early in 2016. The process is expected to be completed at end-Q3 2016.

In 2014, NKT Cables' European railway business was strengthened and in 2015, the added resources paid off. Sales reach was extended from selected European markets to cover global sales and tendering. The Valthermo® contact wire introduced in 2014 continued to generate sales volume.

APAC

The Chinese power cable market is highly fragmented and NKT Cables is a niche supplier focused on high-quality products.

Decreasing revenue in APAC was seen in all segments and reflected a combination of continued difficult market conditions and NKT Cables' decision not to accept orders with low earnings potential.

In the railway segment, the Chinese government has made a commitment to further expand the national rail network, e.g. by inter-connecting cities. The Chinese government is making efforts to export high-speed rail know-how to international markets, and as a key supplier to Chinese rail contractors, NKT Cables is actively pursuing supply contracts for major future electrification projects outside China.

Management commentary

Through NKT Cables' presence in Australia and Vietnam, a number of small, but attractive projects were secured.

Overdue receivables remained a challenge for NKT Cables in China. During 2015, good progress was made on recovering long-term debt, but Q4 saw a setback that was mainly caused by new overdues relating to railway projects.

In Q2 2015, the process launched at end-2014 to explore strategic alternatives for the APAC activities was completed. The process included discussing various partnership models with external parties but no attractive alternatives were found. In relation hereto, impairment of plant and machinery EUR 37.9m and tax asset of EUR 10m was realised.

As part of EXCELLENCE 2020, the turnaround process of APAC operations progressed as planned. Initiatives included a reduction of approx. 20% of white-collar employees and to further support the strategy execution, a new managing director of the Chinese operations was appointed.

DRIVE

The first phase of DRIVE was launched end-2013 with annual savings target of EUR 40m going into 2017 and related one-off costs of approx. EUR 32m. Initially more than 80 cost improvement levers were identified. During 2014 and 2015 implementation went faster than anticipated and a number of new levers were integrated in the programme leading to several upward adjustments of both savings target and related one-off costs. The latest upward adjustment occurred in Q2 2015 with annual savings target of EUR 60m and 2015 expected one-off costs of EUR 21.5m. NKT Cables reached the annual savings target one year ahead of schedule, while one-off costs increased slightly due to realisation of additional savings. Additional full-time employees are expected to leave NKT Cables early 2016.

With implementation progressing it has become increasingly difficult to separate DRIVE impact from normal operations. Reporting on DRIVE therefore ceases as of the present report. Future progress will be included in the follow-up on EXCELLENCE 2020.

BUSINESS STRATEGY – EXCELLENCE2020

In Q3 2015, NKT Cables launched the EXCELLENCE 2020 strategy focused on increased profitability as foundation for future growth. EXCELLENCE 2020 addresses a number of industry trends including increased cost pressure and competition, new technologies as well as changing market and customer requirements. Roll-out is progressing as planned.

Management commentary

Key trends shaping the industry

1. Slow growth in traditional core business
2. Decreasing potential to differentiate
3. Harsh outlook for utilities
4. New material technologies
5. Wholesaler consolidation
6. Technology focus by big players

EXCELLENCE 2020 builds on the foundation established by the DRIVE efficiency improvement programme launched at end-2013. DRIVE was initially a three-phased transformation programme designed to reduce costs, strengthen competitiveness and increase value creation. The first phase of DRIVE is completed and the annual savings target of EUR 60m (run rate) has been reached one year ahead of schedule. The DRIVE initiatives are now incorporated in daily operations and reporting on the programme ceases with the present report.

Building on ongoing profitability improvement since the launch of DRIVE, the long-term financial target of RoCE above 15% is expected to position NKT Cables on par with top industry performance. NKT Cables will strive to become customers' preferred choice by offering outstanding expertise combined with superior products and solutions. Supporting this ambition is the aim to recruit the best people in the industry and to be an attractive workplace with an annual job engagement rating well above the industry average.

Must-Win Battles to become best-in-class

Four cross-organisational Must-Win Battles have been defined that are key to becoming the best-in-class cable company:

1: Safety, people and organisation

Improved working environment, an agile and engaged workforce, and a leaner organisation with excellent management and leadership skills.

2: Operational and commercial excellence

Strive for leaner and more efficient operations by continued improvements based on the increased focus on Lean and supporting functions. Obtain best-in-class sales capabilities, and review and improve product offerings.

3: Material and product development

Development based on customer needs, e.g. proactive and systematic portfolio management and differentiation from competitors.

Management commentary

4: Digitalisation

Optimisation of internal production processes and customer service interfaces.

Events after the balance sheet date

After balance sheet date, NKT Cables discovered quality issues in deliveries from a raw material supplier. A preliminary analysis of the situation has been conducted, including assessment of the primary affected or potentially affected products. Certain production batches were potentially affected and caused a setback in production due to remanufacture.

The quality issues are fully outside the control of NKT Cables, and necessary corrective actions were taken by the supplier. If the contamination results in any effect on product quality, the majority of any related costs is expected to be covered by the supplier, although further legal analysis of any such claim is ongoing.

No other events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C. The financial statements are presented in EUR.

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The Company is included in the consolidated financial statement for NKT Holding A/S.

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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. Differences arising between the rates of exchange on the transaction date and on the date of payment are recognized in the income statement as financial items.

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.

Accounting policies

Income statement

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Company's primary activities, including management fees, rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for the Company's staff.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, currency gains as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment of financial assets

Impairment of financial assets comprises impairment of investments in subsidiaries.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, currency losses as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

The Company is covered by the Danish regulations on compulsory joint taxation of the NKT Group's Danish companies.

The parent company NKT Holding A/S is the administrative company for the joint taxation scheme and consequently settles all payments of corporate income tax with the tax authorities.

The current Danish income tax is shared between the jointly taxed companies in proportion to their taxable incomes. Companies with tax losses receive joint tax contributions from companies that have been able to use these losses to reduce their own taxable incomes.

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.

Accounting policies

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Deferred tax

Deferred tax is measured according to the balance-sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative taxation rules can be applied to determine the tax base, deferred tax is measured according to Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carryforward, are recognized under other non-current assets at the expected value of their utilization, either by set-off against tax on future income or by set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is adjusted for elimination of unrealized intragroup profits and losses.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

Income tax payable or receivable

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

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015</u> <u>EUR'000</u>	<u>2014</u> <u>EUR'000</u>
Other operating income		1.354	1.777
Other external expenses		<u>(665)</u>	<u>(564)</u>
Gross profit/loss		689	1.213
Staff costs		<u>(860)</u>	<u>(1.082)</u>
Operating profit/loss		(171)	131
Other financial income	1	1.871	1.745
Impairment of financial assets		(49.748)	0
Other financial expenses	2	<u>(11.520)</u>	<u>(12.430)</u>
Profit/loss from ordinary activities before tax		(59.568)	(10.554)
Tax on profit/loss from ordinary activities	3	<u>2.274</u>	<u>2.505</u>
Profit/loss for the year		<u>(57.294)</u>	<u>(8.049)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(57.294)</u>	<u>(8.049)</u>
		<u>(57.294)</u>	<u>(8.049)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR'000</u>	<u>2014 EUR'000</u>
Investments in group enterprises		660.524	459.883
Receivables from group enterprises		23.070	42.885
Deferred tax		983	1.329
Fixed asset investments	4	<u>684.577</u>	<u>504.097</u>
Fixed assets		<u>684.577</u>	<u>504.097</u>
Trade receivables		261	156
Receivables from group enterprises		550	503
Other short-term receivables		5	259
Income tax receivable		1.692	1.929
Receivables		<u>2.508</u>	<u>2.847</u>
Cash		<u>3.232</u>	<u>471</u>
Current assets		<u>5.740</u>	<u>3.318</u>
Assets		<u><u>690.317</u></u>	<u><u>507.415</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 EUR'000</u>	<u>2014 EUR'000</u>
Contributed capital	5	26.939	26.939
Retained earnings		<u>259.044</u>	<u>63.802</u>
Equity		<u>285.983</u>	<u>90.741</u>
Payables to group enterprises		<u>404.079</u>	<u>416.110</u>
Non-current liabilities other than provisions		<u>404.079</u>	<u>416.110</u>
Trade payables		109	253
Other payables		<u>146</u>	<u>311</u>
Current liabilities other than provisions		<u>255</u>	<u>564</u>
Liabilities other than provisions		<u>404.334</u>	<u>416.674</u>
Equity and liabilities		<u>690.317</u>	<u>507.415</u>
Contingent liabilities	6		
Related parties with control	7		
Consolidation	8		

Statement of changes in equity for 2015

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	26.939	63.802	90.741
Increase of capital	0	250.000	250.000
Exchange rate adjustments	0	2.536	2.536
Profit/loss for the year	0	(57.294)	(57.294)
Equity end of year	26.939	259.044	285.983

Notes

	2015 EUR'000	2014 EUR'000
1. Other financial income		
Financial income arising from group enterprises	1.519	1.745
Exchange rate adjustments	352	0
	1.871	1.745

	2015 EUR'000	2014 EUR'000
2. Other financial expenses		
Financial expenses from group enterprises	11.520	12.391
Exchange rate adjustments	0	39
	11.520	12.430

	2015 EUR'000	2014 EUR'000
3. Tax on ordinary profit/loss for the year		
Current tax	(2.634)	(2.606)
Change in deferred tax for the year	346	20
Adjustment relating to previous years	14	81
	(2.274)	(2.505)

	Investments in group enterprises EUR'000	Receivables from group enterprises EUR'000	Deferred tax EUR'000
4. Fixed asset investments			
Cost beginning of year	461.322	42.885	1.329
Additions	250.389	0	94
Disposals	0	(19.815)	(440)
Cost end of year	711.711	23.070	983
Impairment losses beginning of year	(1.439)	0	0
Impairment losses for the year	(49.748)	0	0
Impairment losses end of year	(51.187)	0	0
Carrying amount end of year	660.524	23.070	983

Impairment losses of EUR 49.748k regarding nkt cables China Ltd. and nkt cables Ultera a/s has been identified and recognized, as the equity value including assessment of future probability potentials of these two sub-

Notes

subsidiaries are significantly lower than the value of cost. Impairment losses primarily relates to nkt cables China Ltd, due to the market conditions in China.

	<u>Registered in</u>	<u>Corporate form</u>	<u>Equity interest %</u>	<u>Equity EUR'000</u>	<u>Profit/loss EUR'000</u>
Subsidiaries:					
nkt cables a/s	Denmark	A/S	100,00	73.787	2.986
nkt cables group GmbH	Germany	GmbH	100,00	458.878	41
nkt cables s.r.o.	Czech Republic	s.r.o	100,00	48.380	6.898
nkt cables China Ltd	China	Ltd	100,00	24.097	(54.455)
nkt cables Espana SL	Spain	SL	100,00	265	13
nkt cables Ultera a/s	Denmark	A/S	100,00	175	(42)
nkt cables Australia Pty Ltd	Australia	Ltd	100,00	5.038	446
nkt cables Holding AB	Sweden	AB	100,00	10.775	4.067
Unique Vantage cables (Nanjing) Co., Ltd	China	Ltd	100,00	9.644	25
Unique Vantage Ltd	China	Ltd	100,00	(1.851)	(1.939)

The figures above are stated in accordance with IFRS and are based on the enterprises' internal reporting to nkt cables group a/s adjusted for amortisation of goodwill, where relevant.

The disclosures above may therefore differ significantly from the financial statements published by the companies concerned, which are presented in accordance with local accounting standards.

			<u>Number</u>	<u>Nominal value EUR'000</u>
5. Contributed capital				
Share capital			<u>200.001</u>	<u>26.939</u>
			200.001	26.939
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>
Changes in contributed capital				
Contributed capital beginning of year	<u>26.939</u>	<u>26.939</u>	<u>26.939</u>	<u>26.939</u>
Contributed capital end of year	<u>26.939</u>	<u>26.939</u>	<u>26.939</u>	<u>26.939</u>

Contributed capital increased in 2015 with 1 share of EUR 134.

Notes

	2015	2014
	<u>EUR'000</u>	<u>EUR'000</u>
6. Contingent liabilities		
Other contingent liabilities towards Parent and fellow subsidiaries	<u>90.490</u>	<u>167.457</u>
Contingent liabilities related to Parent and fellow subsidiaries	<u>90.490</u>	<u>167.457</u>

The Company is jointly registered for VAT purposes with nkt cables a/s, nkt cables Ultera a/s and NKT Holding A/S and is jointly liable for VAT liabilities. The company is part of a Danish joint taxation with NKT Holding A/S as a management company and liable therefore according to the corporate tax Act rules to that effect from the financial year 2014 for income taxes, etc. for the jointly taxed enterprises and from and with 1. July 2013 also for any obligations to bear the withholding tax on interest, royalties and dividends for these companies.

7. Related parties with control

NKT Holding A/S, Vibeholms Allé 25, 2605 Brøndby holds all the shares in the Company, meaning that NKT Holding A/S controls the Company.

8. Consolidation

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

The Company is wholly owned by NKT Holding A/S, Vibeholms Allé 25, 2605 Brøndby