

TE Connectivity (Denmark) ApS
Central Business Registration No
21489999
Smedeland 13, 1.
2600 Glostrup

Annual report 2015/16

The Annual General Meeting adopted the annual report on 22.02.2017

Chairman of the General Meeting

Name: Malin Maria Tränk

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Entity details

Entity

TE Connectivity (Denmark) ApS
Smedeland 13, 1.
2600 Glostrup

Central Business Registration No: 21489999

Registered in: Albertslund

Financial year: 01.10.2015 - 30.09.2016

Board of Directors

Malin Maria Tränk

Michael Thomas Gerosa

Harold Gregory Barksdale

Executive Board

Susanne Bakke Henriksen, Chief Executive Officer

Patrick Segmueller

Juerg Frischknecht

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 TE Connectivity (Denmark) ApS for the financial year 01.10.2015 - 30.09.2016.

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 30.09.2016 and of the results of its operations for the financial year 01.10.2015 - 30.09.2016.

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, 22.02.2017

Executive Board

Susanne Bakke Henriksen
Chief Executive Officer

Patrick Segmueller

Juerg Frischknecht

Board of Directors

Malin Maria Tränk

Michael Thomas Gerosa

Harold Gregory Barksdale

Independent auditor's reports

To the owner of TE Connectivity (Denmark) ApS

Report on the financial statements

We have audited the financial statements of TE Connectivity (Denmark) ApS for the financial year 01.10.2015 - 30.09.2016, 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

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30.09.2016 and of the results of its operations for the financial year 01.10.2015 - 30.09.2016 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, 22.02.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Jan Larsen

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's primary activities are sale of electronic components to distributors and manufacturers. The sale takes place directly from foreign suppliers. The Company receives commission from its activities on the Danish market.

The Company also acts as a holding company.

Development in activities and finances

Loss for the year is DKK 3,771 thousand, which is in line with expectations.

Events after the balance sheet date

The Company's shareholders have committed themselves to subscribing to shares in the Company at a value of/contributing capital of DKK 185 million in the financial year 2016/17. Management will spend DKK 185 million of the capital received to repay debt of DKK 185 million. This will leave the Company with total equity of DKK 1 million.

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.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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. 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue from commissions is recognised in the income statement when invoiced. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise direct and indirect costs incurred to earn revenue, including costs for consumables and staff as well as development costs and a proportional share of depreciation and amortisation.

Distribution costs

Distribution costs comprise costs incurred for sale campaigns, including costs for sales and distribution staff, advertising costs, depreciation and amortisation.

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 amortisation and depreciation relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, and net capital gains on payables and transactions in foreign currencies.

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses and net capital losses on payables and transactions in foreign currencies.

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.

Accounting policies

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

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.

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.

Prepayments

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

Operating leases

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

Other financial liabilities

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

Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Revenue		23.406.317	5.661.088
Production costs		<u>(934.085)</u>	<u>(299.107)</u>
Gross profit/loss		22.472.232	5.361.981
Distribution costs		(8.225.552)	(2.923.673)
Administrative costs	2	<u>(12.649.043)</u>	<u>(1.110.886)</u>
Operating profit/loss		1.597.637	1.327.422
Other financial income	3	4.358	5.302
Impairment of financial assets		0	(189.816.915)
Other financial expenses		<u>(5.297.850)</u>	<u>(734.033)</u>
Profit/loss from ordinary activities before tax		(3.695.855)	(189.218.224)
Tax on profit/loss from ordinary activities	4	<u>(75.391)</u>	<u>1.460.639</u>
Profit/loss for the year		<u>(3.771.246)</u>	<u>(187.757.585)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(3.771.246)</u>	<u>(187.757.585)</u>
		<u>(3.771.246)</u>	<u>(187.757.585)</u>

Balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Goodwill		45.214.111	56.758.147
Intangible assets	5	<u>45.214.111</u>	<u>56.758.147</u>
Investments in group enterprises		3.033.515	3.033.515
Deposits		16.500	0
Fixed asset investments	6	<u>3.050.015</u>	<u>3.033.515</u>
Fixed assets		<u>48.264.126</u>	<u>59.791.662</u>
Receivables from group enterprises		9.520.242	4.999.303
Other short-term receivables		117.069	33.450
Income tax receivable		1.020.103	0
Prepayments		16.142	74.863
Receivables		<u>10.673.556</u>	<u>5.107.616</u>
Current assets		<u>10.673.556</u>	<u>5.107.616</u>
Assets		<u>58.937.682</u>	<u>64.899.278</u>

Balance sheet at 30.09.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
Contributed capital		73.423.940	73.423.940
Retained earnings		<u>(257.009.462)</u>	<u>(253.238.216)</u>
Equity		<u>(183.585.522)</u>	<u>(179.814.276)</u>
Payables to group enterprises		55.600.000	55.600.000
Income tax payable		<u>0</u>	<u>13.446.171</u>
Non-current liabilities other than provisions		<u>55.600.000</u>	<u>69.046.171</u>
Trade payables		289.209	1.425
Debt to group enterprises		183.262.390	172.964.223
Other payables	7	<u>3.371.605</u>	<u>2.701.735</u>
Current liabilities other than provisions		<u>186.923.204</u>	<u>175.667.383</u>
Liabilities other than provisions		<u>242.523.204</u>	<u>244.713.554</u>
Equity and liabilities		<u>58.937.682</u>	<u>64.899.278</u>
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	8		
Consolidation	9		

Statement of changes in equity for 2015/16

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	73.423.940	(253.238.216)	(179.814.276)
Profit/loss for the year	0	(3.771.246)	(3.771.246)
Equity end of year	73.423.940	(257.009.462)	(183.585.522)

Notes

1. Uncertainty relating to recognition and measurement

The Company has invested DKK 346 million in three companies which are measured in the financial statements at DKK 3 million. The investments have been written down for impairment based on the financial statements for 2013/14, as audited financial statements for 2014/15 and 2015/16 are not yet available. Consequently, an uncertainty exists about the value.

	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	11.544.036	962.003
	<u>11.544.036</u>	<u>962.003</u>
	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
3. Other financial income		
Financial income arising from group enterprises	0	5.124
Exchange rate adjustments	4.273	190
Other financial income	85	(12)
	<u>4.358</u>	<u>5.302</u>
	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
4. Tax on ordinary profit/loss for the year		
Current tax	0	(1.460.639)
Adjustment relating to previous years	75.391	0
	<u>75.391</u>	<u>(1.460.639)</u>
		<u>Goodwill DKK</u>
5. Intangible assets		
Cost beginning of year		57.720.150
Cost end of year		<u>57.720.150</u>
Amortisation and impairment losses beginning of year		(962.003)
Amortisation for the year		(11.544.036)
Amortisation and impairment losses end of year		<u>(12.506.039)</u>
Carrying amount end of year		<u>45.214.111</u>

Notes

	Investments in group enterprises DKK	Deposits DKK
6. Fixed asset investments		
Cost beginning of year	346.406.396	0
Additions	<u>0</u>	<u>16.500</u>
Cost end of year	<u>346.406.396</u>	<u>16.500</u>
Impairment losses beginning of year	(343.372.881)	0
Impairment losses end of year	<u>(343.372.881)</u>	<u>0</u>
Carrying amount end of year	<u>3.033.515</u>	<u>16.500</u>
	<u>Registered in</u>	<u>Corpo- rate form</u>
Subsidiaries:		<u>Equity interest %</u>
Tyco Electronics Tecnologias S. de R.L. de C.V.	Mexico	R.L. de C.V. 99,00
Tyco Submarine Systems S.A. de C.V.	Mexico	S.A. de C.V. 100,00
Grangehurst Enterprises Pty Limited	Australia	Pty Limited 100,00
	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
7. Other short-term payables		
Wages and salaries, personal income taxes, social security costs, etc. payable	3.150.948	2.357.765
Other costs payable	<u>220.657</u>	<u>343.970</u>
	<u>3.371.605</u>	<u>2.701.735</u>
	<u>2015/16 DKK</u>	<u>2014/15 DKK</u>
8. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>826.620</u>	<u>1.333.057</u>

Notes

9. Consolidation

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

TE Connectivity Holding International I S.à.r.l., 17 Blvd Grande-Duchesse Charlotte, 1331 Luxembourg

The foreign consolidated financial statements can be obtained at www.te.com.