ANNUAL **REPORT 2015**

CVR 26 75 97 22

CONTENTS

COMPANY DETAILS

Annual Report 2015

Niels Zibrandtsen | Chairman of the Board of Directors, owner and founder of GlobalConnect

FOLLOWING YOUR VISIONS

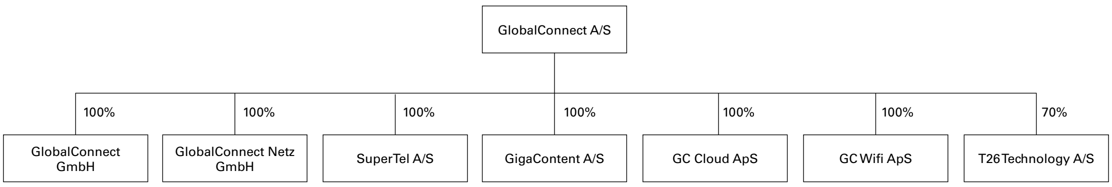
A great passion of mine is to create visions and go for them. I'm so lucky that I not only get to lay out the visions, I also work strategically to realise them. Working with growth and innovation and taking one of the large Danish-owned IT- and telecom businesses to the next level together with a competent staff is extremely gratifying.

COMPANY DETAILS

COMPANY NAME	GlobalConnect A/S Hørskætten 3 DK - 2630 Taastrup Denmark	
	Website:	www.globalconnect.dk
	CVR no.:	26 75 97 22
	Established:	1 January 1998
	Registered office:	Taastrup
	Financial year:	1 January – 31 December 2015
BOARD OF DIRECTORS	Niels Zibrandtsen, Chairman Niels Ravn Lisbeth Zibrandtsen Michael Potter Lars Monrad-Gylling Ole Hvelplund Claus Dindler	
MANAGEMENT	Christian Holm Christensen, CEO Thomas Norling Kielgast, Director Pernille S. Ravn, Director	
AUDITORS	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 DK - 1561 København V Denmark	
BANK	Sydbank A/S Peberlyk 4 DK - 6200 Aabenraa Denmark	

GROUP STRUCTURE

SUBSIDIARIES	**Share capital**	**Share capital in tDKK at closing rate**	**Ownership**
GlobalConnect GmbH, Hamburg	25.000 EUR	186	100%
GlobalConnect Netz GmbH, Hamburg	32.604.855 EUR	243.317	100%
SuperTel A/S, Høje Taastrup	6.250.000 DKK	6.250	100%
GigaContent A/S, Høje Taastrup	1.500.000 DKK	1.500	100%
GC Cloud ApS	80.000 DKK	80	100%
GC Wifi ApS	80.000 DKK	80	100%
T26 Technology A/S, Høje Taastrup	500.000 DKK	500	70%



STATEMENT AND REPORT

Annual Report 2015

Bjarne S. Nielsen | Senior Project Manager | 16 years at GlobalConnect

I'M MOTIVATED BY PEOPLE

"I like that no two days are the same. I constantly experience something new in my job, which has kept me motivated through the years. I love helping our customers create new opportunities and having long-term relations with our customers. Being able to work with people on shared projects gives me tremendous joy in my work life."

STATEMENT BY MANAGEMENT AND BOARD OF DIRECTORS

Today the Board of Directors and the Management have discussed and approved the Annual Report of GlobalConnect A/S for the year 1 January to 31 December 2015.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and Parent Company Financial Statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 January to 31 December 2015.

The management's review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Taastrup, 29 February 2016

MANAGEMENT

Christian Holm Christensen
Managing Director

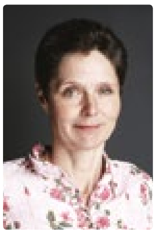
Thomas Norling Kielgast
Director

Pernille S. Ravn
Director

BOARD OF DIRECTORS

Niels Zibrandtsen
Chairman

Niels Ravn
Vice Chairman

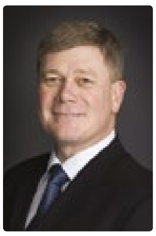


Lisbeth Zibrandtsen

Michael Potter

Lars Monrad-Gylling

Ole Hvelplund



Claus Dindler

Frederico Gonçalves | Delivery Technician | 2 months at GlobalConnect

I WANT TO IMPROVE MY SKILLS

"I'm learning so many new things right now. Since this is my first job after graduation, I'm learning to put my technical skills into practice in an innovative environment. At the same time, I'm learning about Danish culture and language and getting to know more than 200 new colleagues. And as a Dane to be, of course I'm learning how to fix my bike."

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GLOBALCONNECT A/S

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and parent company financial statements of GlobalConnect A/S for the financial year 1 January to 31 December 2015 which comprise a summary of significant accounting policies, income statement, balance sheet, cash flow statement and notes for the group as well as for the parent company. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. This responsibility includes the internal control that Management determines is necessary to enable preparation of the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements.

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

The audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's operations and the group's cash flows for the financial year 1 January to 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 further procedures in addition to the audit of the consolidated financial statements and parent company financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and parent company financial statements.

Copenhagen, 29 February, 2016

BDO Statsautoriseret revisionsaktieselskab

Torben Bjerre-Poulsen
State Authorised Public Accountant

MANAGEMENT REVIEW

Annual Report 2015

Christian Holm | Managing Director | 10 years at GlobalConnect

COMPETITION MAKES ME STEP UP MY GAME

"Ever since my first day at GlobalConnect, I've been fascinated by the courage characterising the company's DNA. From nothing, the company has grown strong – nourished by new opportunities in a highly volatile market. I'm proud of being at the helm of a company that is not afraid, but dares take on the competition and always strives to become better and develop. That is the spirit that makes me as director give my best every single day."

KEY FIGURES AND RATIOS FOR THE GROUP

	Group 2015 mDKK	Group 2014 mDKK	Group 2013 mDKK	Group 2012 mDKK	Group 2011 mDKK
Income statement					
Net revenue	537	477	502	433	440
Gross profit	339	296	316	250	289
Result before depreciations (EBITDA)	205	189	186	128	195
Operating profit (EBIT)	92	65	83	45	120
Financial income and expenses, net	-48	-39	-24	-14	-16
Profit for the year	35	24	64	22	75
Balance sheet					
Balance sheet total	2.013	1.976	1.828	1.675	1.538
Equity	591	567	566	524	524
Cash flows					
From operating activities	-107	313	106	78	248
From investment activities	-149	-176	-226	-183	-168
From financing activities	168	-43	131	102	-80
Key figures in %	**2015**	**2014**	**2013**	**2012**	**2011**
Gross margin (gross profit as % of revenue)	63,2	62,1	62,8	57,8	65,7
Profit margin (operating profit as % of net revenue)	17,1	13,6	16,5	10,3	27,3
Rate of return (operating profit as % of average balance sheet total)	4,6	3,4	4,7	2,8	8,2
Equity ratio (equity as % of assets, end of year)	29,5	28,7	31,0	31,3	34,1
Return on equity (profit before tax as % of average equity)	7,6	4,6	10,7	5,9	20,9
Average number of employees	227	193	175	172	139

The key figures are prepared in accordance with the guidance of The Danish Financial Analyst's Society's "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

MANAGEMENT'S REVIEW

MAIN ACTIVITIES

GlobalConnect is an independent fibre infrastructure based service provider, offering efficient and secure data networking, data centre solutions and cloud services. The digitisation and requirement for efficient communication within companies, the public sector and the state adds value for all in the society – and GlobalConnect benefits from this fast growing trend. GlobalConnect covers all of Denmark, Northern Germany and parts of Sweden with more than 13,500 km of high-speed optical fibre network and 13,000 m^2 data centres. GlobalConnect also acts as turnkey supplier of international lines and services via partnering with other telecommunication operators outside the company's area of own coverage.

DEVELOPMENT IN ACTIVITIES AND FINANCIAL POSITION

The financial year 2015 has been another successful year for GlobalConnect with growth both in EBITDA and revenue. During 2015, GlobalConnect has had a positive customer order intake. The result for 2015 met the expectations and is considered satisfying by the board and management.

GlobalConnect has during 2015 worked on implementation of additional customers on platforms already in operation, and has worked on more value added products taking offset in the infrastructure being the core foundation of GlobalConnect. GlobalConnect has initiated further efficiency programmes including optimising the programs initiated in 2014, implemented enterprise resource planning platform, giving management new business intelligence tools. GlobalConnect has worked on improving the customer experience in 2015, and we are now experiencing higher customer satisfaction in the day-to-day operations giving positive effect with lower churn rate as a result.

The result for 2015 is businesswise reflecting that the long term transformation of GlobalConnect from being a strict wholesale supplier to a combined wholesale and direct B2B customer based company. Hence, the rise in revenue is primarily based on subscription base business. The 2015 result is reflecting a business in which the sales of services - based on recurring business – significantly surpass the value of sales of IRU based dark fibre. This shift was predicted by GlobalConnect, and has been reflected in a strategic shift of focus in the B2B-market, and a more subscription-based business on the wholesale market. This strategic shift of focus will provide GlobalConnect with a stable platform to expand its business and services on. We expect the growth of GlobalConnect to continue due to the increased demand for value-added services, cloud services, security solutions and outsourcing. Furthermore, the exponential growth in bandwidth demands as well as the demand for datacentre services create continued optimism for further growth. Growth in revenue is expected, despite the fact that the markets in which GlobalConnect A/S operates are subject to price and earnings pressure, as they become increasingly commodity oriented. Hence, the development of new products of GlobalConnect goes towards the value added services, where the foundation of the strong infrastructure footprint of GlobalConnect can be utilised even further. Furthermore, the innovation power in the Zibra group, which GlobalConnect is part of, will over the next couple of years provide GlobalConnect with a range of innovative products and possibilities supporting the further growth of GlobalConnect.

During 2015, GlobalConnect has also made an acquisition for further support of the company's value adding strategy. GlobalConnect has closed and executed the acquisition of a highly skilled hosting and outsourcing company, T26 Technology A/S. The full impact of the acquisition will show during 2016, as the market for value added services develops rapidly in Denmark. GlobalConnect will provide unique offering in the value adding service range as we own and operate all infrastructure layers from nationwide fibre optic network, data centre facilities to server farms. Hence, the level of control and security offered by GlobalConnect becomes unique, and provides a strong platform for further growth. In order to capitalise the company's position, GlobalConnect wants to strengthen the skills and knowledge within outsourcing and certification level to support our customers strategic business development. The acquisition of T26 Technology A/S has brought business knowledge to GlobalConnect, as T26 is a highly experienced company with a long track record. The certification levels include ISO 27001 and ISO 9001 certifications. This positions GlobalConnect among the top five B2B outsourcing companies in the Danish market.

The rapid growth for data capacity in Denmark led to an increased build-out of high-capacity fibre-based network solutions. In 2015, GlobalConnect implemented additional 100 Gbit interfaces in the network to offload the backbone. We expect 1 Gbit/s and 10 Gbit/s services to become the de facto standard for the B2B customers. As GlobalConnect owns and operates its own "thick" fibre infrastructure, we are able to continue fulfilling the demands from the customers for more bandwidth. On the data centre side, further customer intake took place in 2015. GlobalConnect remains the largest open data centre operator in Denmark and we expect further build-out of data centre capacity during 2016.

The German market is still a highly important market for GlobalConnect to operate in, and from a commercial, demographical and geographical point of view even more attractive than the Danish market. During 2015, the strategy of including direct B2B customers on the German network has been in progress, which has resulted in a positive customer intake. The wholesale market in Germany has been effected by the consolidation on the German market where the merger between among others EPlus and O2, Kabel Deutschland and Vodafone has resulted in decrease in orders in the period where the merging parties became strategically aligned and integrated. However, we have seen a clear tendency at the end of 2015 that developments in the market were picking up once again, providing optimism for the result for 2016. In total GlobalConnect is addressing a market of 20 million German inhabitants with the existing infrastructure in Germany.

In 2015, GlobalConnect has raised additional access to capital via its corporate bonds. The bonds performed well in the market and is providing GlobalConnect with a stable and predictable financing base.

Management regards the GlobalConnect result and financial development as satisfactory. The Group's net revenue was DKK 537 mill. (2014: DKK 477 mill.) and EBITDA DKK 205 mill. (2014: DKK 189 mill.). Capital expenditures reached DKK 149 mill. (2014: DKK 176 mill.).

The GlobalConnect Group presents positive earnings before tax (EBT) of DKK 44 mill. (2014: DKK 26 mill.), net earnings after tax of DKK 35 mill. (2013: DKK 24 mill.), the equity is DKK 591 mill.

GlobalConnect participates in hearings from the Danish Business Authority (Teleforum), The Danish IT Industry Association (ITB), the Telecom Association (TI) on development in the Danish telecommunication market. The regulatory barriers in Denmark have become more predictable and the regulator has started to intervene with slightly more regulation to overcome the former incumbent's increasing market share. However, with the past regulatory lack, we recommend a more fierce regulation of the incumbent regarding access to the raw infrastructure to bring back the entrepreneurial state of the market. Innovation tends to come from new players in the market and will bring the investment level back to a higher level in the telecommunication market in Denmark.

Competition within fixed networks remains untenable, which is why the market is experiencing continued declining investments and thus receding development of new telecommunication services. In 2015, the Danish telecommunications market, and the tele operators found it very difficult to obtain attractive profit margins compared to other countries. A number of operators have seen challenging decrease in EBITDA margin which might lead to withdrawing from the Danish market. In our opinion, this is a "market failure" as described in the EU regulations, directive recommendations. We expect a more focused and stable regulation of the tele-market, enabling increased competition. Competition and innovation is an important element in the digitalisation of Denmark and the creation of a knowledge based society.

GlobalConnect has been working towards creating understanding of the importance of new financial instruments to increase the investment in the telecommunication market. The mortgage bond funding of fibre-based infrastructure is a very important tool, being supported widely by all parties in the Danish parliament. During 2015, we have seen an increasing understanding of the views, we represent. This has resulted in a proposed legislation, allowing mortgage financing to take place in Denmark from July 2016. The proposal is in our view an example of visionary legislation, enabling build-out of infrastructure in areas of Denmark with limited short term commercial return of investment. The mortgage financing instrument will lead to increased investment in the range of 8-10 billions over the coming years and secure creation of thousands of jobs. As a Danish based and Danish owned company, GlobalConnect strongly supports this development as it will bring the Danish telecommunication infrastructure and the spun-off innovation back in the European top 10.

Competition in the mobile market remains intense both in Denmark and in Germany, and GlobalConnect is following the market closely. GlobalConnect expects that the development in technology towards 5G and other wireless access technologies such as WiFi combined with the market demands will require further build-out of next generations mobile networks benefitting the fibre based business of GlobalConnect.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No events have occurred from the balance sheet date until the date of signature that could change the assessment of the Company's financial position.

SPECIAL RISKS

The price level of GlobalConnect products is based on supply and demand on the Danish and international telecommunications and data market and is not exposed to particularly price-related risks. The majority of all contracts covers a longer period of time than a single financial year.

The main part of GlobalConnect's activities is settled in Danish currency (DKK), but due to activities abroad, the result, cash flow and equity are to some extent influenced by exchange and interest rate developments of the Euro. It is the policy of GlobalConnect to cover only commercial currency risks. This is primarily done by forward exchange transactions to hedge expected turnover and purchases within the next 12 months.

GlobalConnect is mainly funded through OPEX, prepayments from customers and a combination of Corporate bonds and bank financing. Interest risks on interest-bearing debt are partly hedged by swap arrangements.

ENVIRONMENTAL SITUATION

GlobalConnect is working on optimising the consumption of energy in order to contribute to minimising the global CO_2 emissions impact. Such efforts could be strengthened further through easier terms on which waste heat may be supplied to district heating systems as part of the GlobalConnect Group's overall Community Social Responsibility work (CSR). GlobalConnect is aware that the Danish government is working on changing the interpretation of the law, allowing reuse of heat from cooling systems. However, GlobalConnect is optimistic as Apple during 2015 announced that they are going to place a major data centre in Denmark, due to an arrangement of reuse of heat from cooling systems. Hence, it is the expectation of GlobalConnect that this will become the general standard for all data centre players in the market to avoid unbalanced competition in Denmark, and the legislation will be adjusted accordingly.

RESEARCH AND DEVELOPMENT ACTIVITIES

GlobalConnect aims at applying the newest technologies and is interested in encouraging investments in the next generation of the IKT-community through active participation in selected professional and industrial bodies and boards. GlobalConnect works together with research institutions and development companies in order to support the development of disciplines within the telecommunications and knowledge industry. This work has among others led to cooperation with a number of foreign companies to intensify the knowledge development and innovation interest in Denmark.

FUTURE EXPECTATIONS

GlobalConnect continuously focuses on securing and developing the market position through controlled growth based on an increased focus on processes and improvement of operational efficiency. Such measures are expected to increase profitability and strengthen the competitiveness. In the GlobalConnect Group we continuously work on increasing the range of products and services in order to improve the satisfaction of our customers. Furthermore, a build-out of data centre facilities is expected in order to meet the increasing demand. In Germany we will use the recent acquisitions to further improve the infrastructure for Mecklenburg-Vorpommern and Schleswig-Holstein and to increase our focus on the B2B market.

GlobalConnect will continue to improve support and product portfolio for our partners, improving their competitive edge.

CSR - COMMUNITY SOCIAL RESPONSIBILITY

GlobalConnect makes it possible for all employees to develop their competences in order to make a difference through their personal commitment and diversity. We strive to find a reasonable work life balance and strive to ensure equal rights to everybody, regardless of gender, ethnic background, physical performance etc.

Number of employees are 222 for the Group as per 31st December 2015. GlobalConnect is outsourcing all digging activities and thus we activate a significant number of employees at our subcontractors due to our continued strong build-out of new infrastructure.

All decisions as for employment, promotion, dismissal, wages and other working conditions are based on relevant and objective criteria.

As part of the GlobalConnect business model, GlobalConnect operates an organisation based on a so-called Cloud Management where tasks and management are changed rapidly, based on projects executed in dedicated satellites. GlobalConnect aims at having as equal representation as possible regardless of gender, ethnic background, citizenship, physical performance etc., and thus counteracting any discrimination.

GlobalConnect A/S aims at following the equal gender principle. The company is constantly looking for female candidates, however, it has to be taken into account the special skill set required in a technical oriented organisation when recruiting in order to get the best qualified resources. Status on the gender distribution in GlobalConnect top management is 33% women. Status of the gender distribution of the Board of Directors in GlobalConnect is 16% women and 16% with non-EU citizenship.

At any time, GlobalConnect aims at having positions filled with the best qualified persons, independent of gender, ethnic background, citizenship, physical performance etc. The representation will follow the qualification. We aim at making sure that any position can be applied for on equal terms.

Our vision is to develop nationwide coverage of the fibre infrastructure in Denmark and regional coverage in Germany to offer data communication for all individuals close to our infrastructure. We want to meet the market as the preferred alternative supplier of network services in the field of tele- and data communication in Northern Europe. Therefore, it is evident for us to involve ourselves in society and the way in which it functions. It is important for us that our surroundings are experiencing GlobalConnect as socially responsible and committed. We are working on improving Community Social Responsibility in contrary to Corporate Social Responsibility, in order for the state, the public sector and private corporations to make a joint effort for a better society.

Our policies and reporting within this area are based on the UN's Global Compact's ten principles within the areas of human rights, labour (rights), environment and anti-corruption.

We will contribute to a cleaner technology and more efficient energy consumption in society through the provision of our products and services. At the same time, we are reducing our own CO_2 emission as well as the GlobalConnect Group's other environmental impacts. Purchasing products under appropriate and safe conditions and safeguarding that they are being disposed of in an environmentally sound way is further encouraging this.

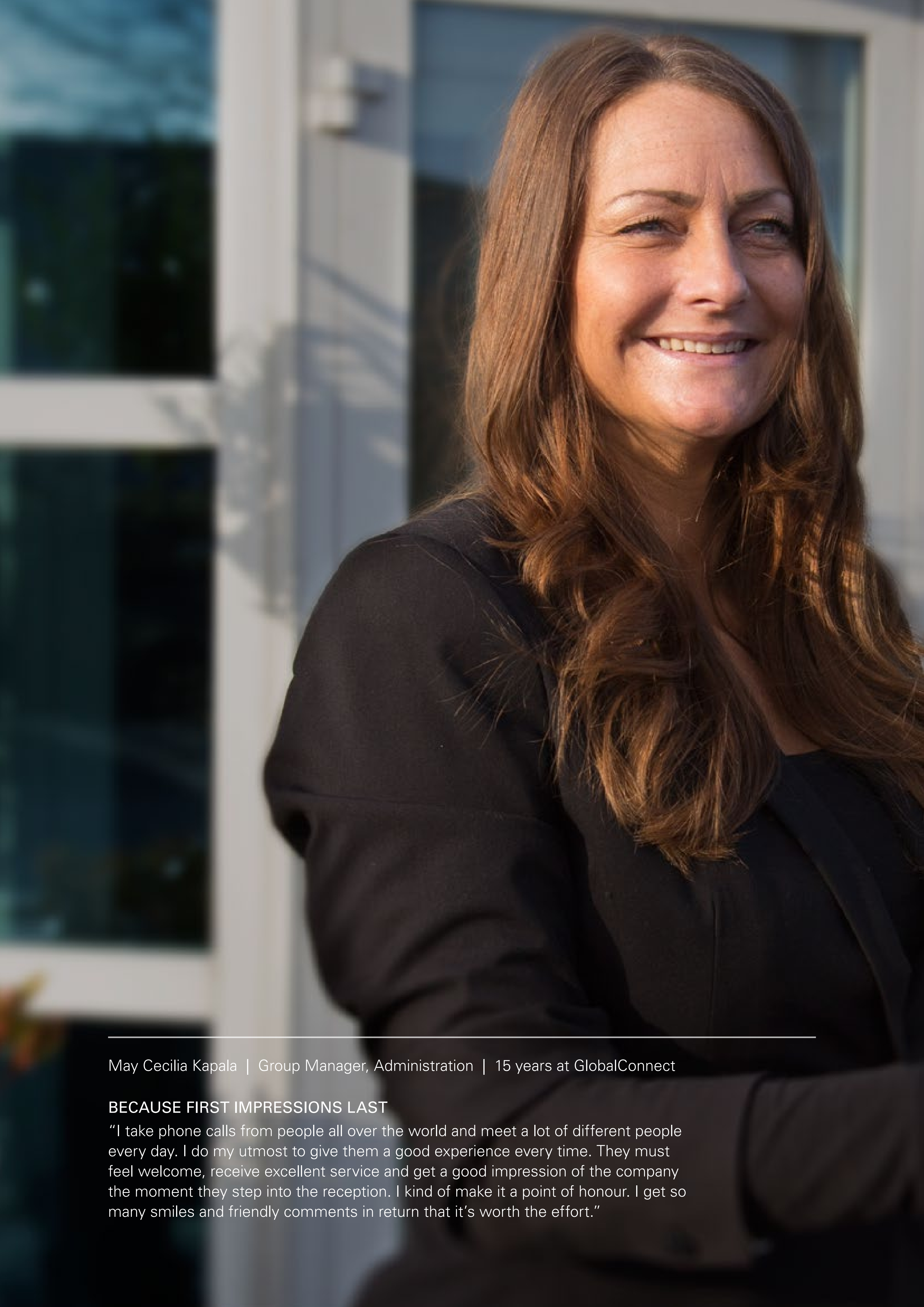
GlobalConnect wants to be known as a company, focusing on skilful leadership, employee satisfaction, motivation and a sound environment; at the same time, we are developing the competences of our employees, in order for them to make a difference by their personal commitment and diversity. Furthermore, our staff policy comprises anti-corruption rules, prohibition on child labour and compulsory labour and non-discrimination regardless of gender, age and ethnic background.

In 2015 the level of "long term fit" employees in GlobalConnect was 98%, seen as the number of absence in GlobalConnect due to illness divided with the total amount of workdays in a year. The long term fitness rate in GlobalConnect is higher than the national average and is considered satisfying, but will remain a focus area of GlobalConnect going forward.

GlobalConnect has formed a working environment committee with representatives from management as well as employees. The committee brings up relevant environmental subjects in order to secure a perennially optimal working environment for the daily work by the employees. GlobalConnect has focus on the health of our employees. The aim is to focus on keeping our employees fit and healthy and to create an environment where the employees are aware of the well-being and long-term healthy status of their colleagues. We offer exercise facilities to employees in our offices in Denmark and Germany. Moreover, we have an active staff association, focus on healthy food and we are offering an attractive pension scheme and health insurance. Furthermore, GlobalConnect makes demands on suppliers within health, security and working environment.

GlobalConnect is continuously working to exert influence on the legislators so that environmental economic sound laws are overruling the economically inexpedient laws within the boundaries of Community Social Responsibility. GlobalConnect considers cooperation between public authorities and the industry very important and is therefore actively seeking to improve partnerships.

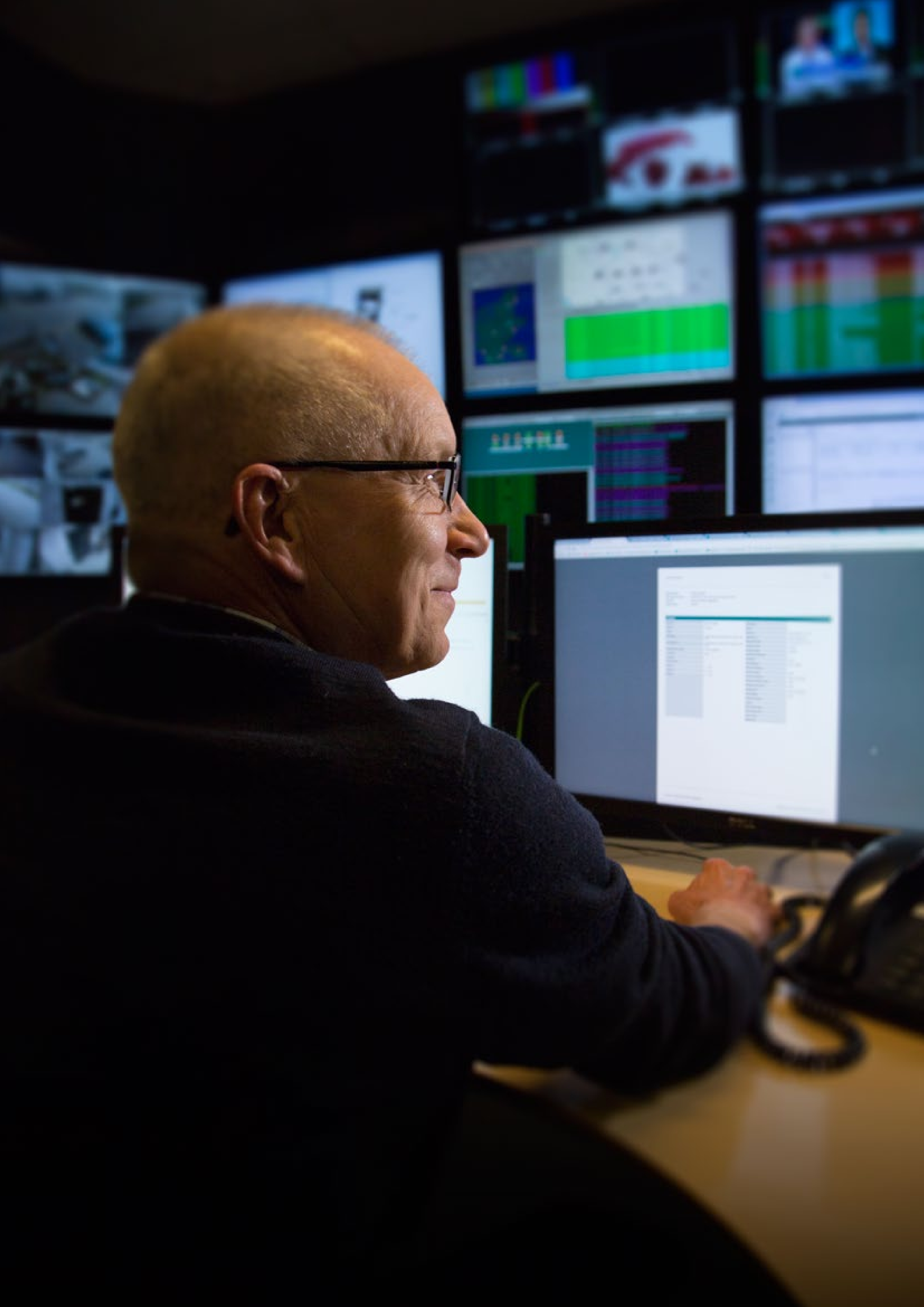
In 2015, GlobalConnect A/S has become a member of an initiative, Code Camps, bringing more technology understanding into Danish secondary schools (age 12-16). The project is set to start up in 2016 and involves the Copenhagen municipality, Ministry for Children, Education and Gender Equality, together with other private IT companies and The Danish IT Industry Association. We have been sponsors for the cycling team "Team Rynkeby", who donates to Børnecancerfonden, a foundation working to support research to fight and treatment of children with cancer. Last year's total national result was a donation of 38 million DKK. Furthermore, we have worked towards better circumstances for circular economy and the reclaim and reuse of excess heat from our facilities. GlobalConnect is supporting "Geeks without Frontiers", an independent non-profit organisation, to expand the coverage of telecommunication in developing countries through the initiatives DigOnce and VillageConnect.



May Cecilia Kapala | Group Manager, Administration | 15 years at GlobalConnect

BECAUSE FIRST IMPRESSIONS LAST

"I take phone calls from people all over the world and meet a lot of different people every day. I do my utmost to give them a good experience every time. They must feel welcome, receive excellent service and get a good impression of the company the moment they step into the reception. I kind of make it a point of honour. I get so many smiles and friendly comments in return that it's worth the effort."



CONSOLIDATED &
PARENT COMPANY

FINANCIAL STATEMENT

1 JANUARY - 31 DECEMBER

Annual Report 2015

Freddy Dalsgaard | OMC Operator | 2 years at GlobalConnect

YOUNG COLLEAGUES KEEP ME AT THE TOP OF MY GAME

"As an OMC employee, I work at all hours of the day. I like the difference between day and night – feeling the calm beat of the company in the darkness and being part of the contrasting busy daytime with phone calls from customers and dealing with urgent issues. I'm proud of being a mature presence in a young team – that keeps me at the top of my game."

ACCOUNTING POLICIES

The annual report of GlobalConnect A/S for 2015 is presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

The annual report is prepared consistently with the accounting principles used last year.

GENERAL INFORMATION ON RECOGNITION AND MEASUREMENT

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely 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 it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

DERIVATIVE FINANCIAL INSTRUMENTS

The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Changes in the fair value of derivative financial instruments, classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability, are recognised in the income statement together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments, classified as and meeting the conditions of hedging future assets and liabilities, are recognised in receivables or liabilities and in equity. If the future transaction results in recognition of assets or liabilities, amounts are transferred, which were recognised in the equity, from the equity and are recognised in the cost price for the asset or the liability, respectively. If the future transaction results in income or expenses, amounts are transferred, which were recognised in the equity, to the income statement in the period where the hedged influences the income statement.

For derivative financial statements, if any, which do not meet the conditions for treatment as hedging instruments, changes in the fair value are recognised currently in the income statement.

Changes in the fair value of deriviate financial instruments, applied for the purpose of hedging net investments in independent subsidiaries, are recognised directly in equity.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the parent company GlobalConnect A/S and its subsidiary enterprises in which GlobalConnect A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiary enterprises by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiary enterprises' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities, inclusive of provision for liabilities for restructuring, are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life, however, not more than 20 years. Negative differences which correspond to an expected unfavourable development in the enterprises are recognised as negative goodwill under accruals in the balance sheet and recognised in the income statement as and when the unfavourable development is realised.

INCOME STATEMENT

NET REVENUE

Net revenue consists of goods or services provided during the year and is recognised in the income statement of delivery and risk transfer to purchaser have taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and after discounts related to the sale.

In cases where the company acts as lessor and leases part of its network on contracts lasting more than 15 years and where all substantial risks and benefits connected to the transfer of ownership are transferred to the lessee, the profit, calculated as the difference between the cost price and the net present value of the future incoming leasing payments and the non-secured scrap value at the end of the contract period, is shown in the income statement.

The net present value of future incoming lease payments and scrap values with deduction of writedowns on potential unattainable lease payments are shown in the balance sheet as a financial asset.

Received lease payments are divided into interest, which are shown in the income statement, and repayments which are set off against the financial lease receivable.

COST OF SALES

Costs of sales are recognised concurrently with the related income and include purchase and cost price for sold goods during the year. Raw materials, consumables and indirect production costs are included in the cost price.

OTHER EXTERNAL COSTS

Other external expenses consist of sales and development costs, marketing expenses, administration costs, costs for office premises, loss on trade receivables, operational lease expenses etc.

General development costs, which cannot be related to a specific project, are expensed as they arise.

STAFF COSTS

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are included in staff costs.

RESULTS OF SUBSIDIARY ENTERPRISES

The proportional share of results of subsidiaries after full elimination of intercompany profits/ losses and deduction of amortised goodwill is recognised in the company's income statement.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

TAX

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in equity by the portion that may be attributed to entries directly to the equity.

The company is subject to joint taxation with Danish group enterprises. The current Danish corporation tax is distributed among the Danish companies subject to joint taxation in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The companies subject to joint taxation are included in the tax-on-account scheme.

BALANCE SHEET

INTANGIBLE FIXED ASSETS

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition. Development costs are amortised on a straight-line basis over the expected useful life which is estimated to 5 years.

TANGIBLE FIXED ASSETS

Land and buildings, technical plant and equipment, working plant and furniture are valued at cost less accumulated depreciations. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.

Fibre and transmission equipment, other fixtures and operating equipment are valued at cost less accumulated depreciation.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life
Fibre	20 years
Duct	40 years
Sea cables, housing and transmission equipment	10-15 years
Other fixtures and equipment	3-10 years
Leasehold improvement	10 years
Buildings	20 years

Leases, which do not fulfil the requirements of financial leasing, are expensed on a current basis. The total commitment is disclosed in the notes to the financial report.

Profit or loss on disposal of tangible fixed assets is stated at the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

FIXED ASSET INVESTMENTS

Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiary enterprises is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiary enterprises, see description above under consolidated financial statements.

Subsidiary enterprises with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's negative balance.

INVENTORIES

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll costs and direct production costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

RECEIVABLES

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Cost price of financial lease contracts is recorded at the lower of market value and net present value of the future lease payments. The net present value is calculated by using the lease contracts' internal interest rate or an approximation thereof as discounting factor.

ACCRUALS, ASSETS

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

DIVIDEND

The expected payment of dividend for the year is recognised as a separate item under equity.

OTHER PROVISIONS FOR LIABILITIES

Provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

TAX PAYABLE AND DEFERRED TAX

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax resulting from changes in tax rates are recognised in the income statement, except from items recognised directly in equity.

LIABILITIES

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals recognised as liabilities include payments received regarding income in subsequent years.

The capitalised residual lease liability on financial lease contracts is also recognised as financial liabilities.

Other liabilities are measured at amortised cost equal to nominal value.

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The income statements of foreign subsidiary enterprises and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of equity of the foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

Exchange adjustment of intercompany accounts with foreign subsidiaries that are deemed to be an addition to or deduction from equity of independent subsidiaries are recognised directly in the equity.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank overdraft and cash in hand.

KEY FIGURES

The key figures shown in the overview of key figures and ratios are calculated as follows:

Gross margin: $$\frac{\textit{Gross profit x 100}}{\textit{Revenue}}$$

Profit margin: $$\frac{\textit{Operating profit x 100}}{\textit{Revenue}}$$

Rate of return: $$\frac{\textit{Operating profit x 100}}{\textit{Average balance sheet total}}$$

Equity ratio: $$\frac{\textit{Equity x 100}}{\textit{Assets, end of year}}$$

Return on equity: $$\frac{\textit{Profit before tax x 100}}{\textit{Average equity}}$$

The key figures are prepared in accordance with the guidance of The Danish Financial Analyst's Society's "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

2015 IN NUMBERS

Annual Report 2015

Jesper Bak Jensen | Splicer | 10 years at GlobalConnect

I FIND FREEDOM ON THE ROAD

"Freedom, flexibility and lots of fresh air – those are the best parts of my job. I don't sit in an office every day; instead, I drive around the country and spend many miles in my splicer van. I do my job on site, and I love it. My job is varied and I like knowing that I'm part of a team even if I work alone most days."

INCOME STATEMENT
1 JANUARY - 31 DECEMBER

	Note	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Net revenue	1	**536.862**	**477.042**	**481.054**	**431.602**
Production costs		-137.685	-121.907	-157.237	-113.650
Other operational income		2.664	0	75	0
Other external costs		-62.804	-58.806	-46.834	-48.208
Gross profit		**339.037**	**296.329**	**277.058**	**269.744**
Staff costs	2	-133.678	-107.000	- 102.493	- 91.675
Profit before depreciation (EBITDA)		**205.359**	**189.329**	**174.565**	**178.069**
Depreciation, amortisation and write-down		-113.368	-103.715	-92.541	-96.338
Other operational costs	3	-3	-20.585	-3	-20.585
Operating profit (EBIT)		**91.988**	**65.029**	**82.021**	**61.146**
Income from investments in subsidiaries	4	0	0	5.657	3.774
Other financial income	5	11.349	4.316	12.878	5.550
Other financial costs	6	-59.107	-43.103	-58.376	-42.901
Profit before tax (EBT)		**44.230**	**26.242**	**42.180**	**27.569**
Tax	7	-9.972	-2.435	-7.588	-3.762
Profit for the year		**34.258**	**23.807**	**34.592**	**23.807**

	Group 2015 tDKK	Group 2014 tDKK
Minority shareholders' share of profit subsidiaries	334	0
Group share of the profit for the year	**34.592**	**23.807**

Proposed distribution of profit

	Parent 2015 tDKK	Parent 2014 tDKK
Proposed dividend for the financial year	17.250	11.900
Reserves for net revaluations under the equity method	5.351	4.359
Reserves for revaluation	-1.088	-1.088
Retained profit	13.079	8.636
Total	**34.592**	**23.807**

ASSETS

	Note	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Development cost		12.991	10.535	12.991	10.534
Prepayments regarding rights to use and licenses		25.761	30.789	10.909	14.277
Consolidated goodwill		19.432	603	0	0
Intangible fixed assets	8	**58.184**	**41.927**	**23.900**	**24.811**
Land & buildings		27.900	29.482	25.534	27.117
Tangible assets under construction		37.056	105.766	10.325	31.049
Other fixtures and equipment		223.538	177.641	194.600	154.766
Leasehold improvements		5.713	4.963	2.362	2.657
Facility housing		122.931	131.258	119.612	127.789
Fibre/duct		1.180.952	1.124.327	897.080	1.088.650
Tangible fixed assets	9	**1.598.090**	**1.573.437**	**1.249.513**	**1.432.028**
Investments in subsidiaries		0	0	312.470	68.191
Deposits		5.116	4.138	3.944	3.730
Receivables regarding financial leases		67.008	71.600	32.194	33.382
Fixed assets investments	10	**72.124**	**75.738**	**348.608**	**105.303**
FIXED ASSETS		**1.728.398**	**1.691.102**	**1.622.021**	**1.562.142**
Inventories		26.707	17.542	25.463	16.632
Inventories		**26.707**	**17.542**	**25.463**	**16.632**
Trade receivables		155.812	135.967	125.364	115.327
Amounts due from group companies		35.840	2.511	144.953	116.062
Other receivables		22.155	3.177	15.681	430
Income tax receivable		1.560	3.200	0	0
Prepayments & accrued income	11	24.555	15.422	17.640	13.555
Accounts receivables		**239.922**	**160.277**	**303.638**	**245.374**
Cash and cash equivalents		**18.113**	**106.598**	**1.055**	**100.609**
CURRENT ASSETS		**284.742**	**284.417**	**330.156**	**362.615**
ASSETS		**2.013.140**	**1.975.519**	**1.952.177**	**1.924.757**

EQUITY AND LIABILITIES

	Note	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Share capital		2.542	2.542	2.542	2.542
Reserve for revaluations		17.825	18.913	17.825	18.913
Reserves for net revaluations under the equity method		0	0	16.017	10.102
Retained earnings		553.421	533.412	537.404	523.310
Proposed dividend for the financial year		17.250	11.900	17.250	11.900
Equity	**12**	**591.038**	**566.767**	**591.038**	**566.767**
Minority shareholders		**2.251**	**0**	**0**	**0**
Provision for deferred tax	13	158.143	156.017	167.436	159.258
Other provision for liabilities		2.183	4.762	2.183	4.762
Provision for liabilities		**160.326**	**160.779**	**169.619**	**164.020**
Bonds & Bank debt		690.015	492.865	690.015	492.865
Prepayments received		88.316	121.330	74.798	103.671
Other long-term liabilities		28.804	14.125	27.391	14.125
Long-term liabilities	14	**807.135**	**628.320**	**792.204**	**610.661**
Current portion of long-term liabilities	14	131.678	173.830	126.653	170.694
Derivative financial instruments		18.419	23.929	18.419	23.929
Debt to financial institutions		95.772	156.843	90.000	150.000
Prepayments received		34.144	22.896	20.656	22.887
Trade payables		23.309	66.343	16.121	53.371
Amounts due to group companies		0	4.398	659	5.608
Corporate tax		5.205	13.054	6.795	12.685
Other liabilities		51.446	73.095	36.788	71.014
Accruals and deferred income	15	92.417	85.265	83.225	73.121
Current liabilities		**452.390**	**619.653**	**399.316**	**583.309**
Liabilities		**1.259.525**	**1.247.973**	**1.191.520**	**1.193.970**
Equity and liabilities		**2.013.140**	**1.975.519**	**1.952.177**	**1.924.757**

	Note
Contingencies etc.	16
Related parties	17
Ownership	18
Fee to auditors appointed by the General Meeting	19

CASH FLOW STATEMENT
1 JANUARY - 31 DECEMBER

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Profit for the year	34.258	23.807	34.592	23.807
Reversed depreciations of the year	113.650	99.733	92.626	95.187
Change in net present value of non-guaranteed scrap values	-2.323	-1.231	-2.323	-1.231
Profit from affiliates	0	0	5.657	-3.909
Costs of prepaid rights	3.404	4.718	3.368	3.003
Amortised prepayments	-44.321	-63.357	-41.321	-63.357
Reversed tax on profit for the year	9.973	2.435	7.587	3.762
Other adjustments	-2.014	-7.000	-2.014	-7.000
Paid corporate tax	-15.695	-15.546	-5.299	-13.720
Change in inventory	-9.165	1.811	-8.831	2.279
Change in receivables	-46.319	18.949	-29.372	-10.838
Change in current liabilities (excl. bank, tax and dividend)	-110.696	246.141	-131.835	237.939
Change in intercompany balances	-37.727	2.992	-33.840	10.682
Cash flows from operating activities	**-106.975**	**313.452**	**-111.005**	**276.604**
Purchase and sale of intangible fixed assets	-24.626	-13.500	-10.614	-13.499
Purchase and sale of tangible fixed assets	-133.337	-162.290	92.388	-124.321
Purchase and sale of financial assets	5.937	-282	-240.982	-491
Other financial investments	2.586	0	0	0
Cash flows from investment activities	**-149.440**	**-176.072**	**-159.208**	**-138.311**
Proceeds from long-term lending	178.815	-20.536	181.544	-19.718
Dividend paid during the financial year	-10.885	-22.868	-10.885	-22.868
Cash flows from financial activities	**167.930**	**-43.404**	**170.659**	**-42.586**
Changes in cash and cash equivalents	**-88.485**	**93.976**	**-99.554**	**95.707**
Cash and cash equivalents as of 1 January	106.598	12.622	100.609	4.902
Cash and cash equivalents as of 31 December	**18.113**	**106.598**	**1.055**	**100.609**
Cash and cash equivalents as of 31 December are specified as:				
Cash	18.113	106.598	1.055	100.609
CASH AND CASH EQUIVALENTS	**18.113**	**106.598**	**1.055**	**100.609**

NOTES

Annual Report 2015

Rikke Møgeltoft | Large Account Manager | 3 years at GlobalConnect

COOPERATION GIVES ME ENERGY

In my daily work, I'm motivated by being part of a team that gives its absolute best – and I'm willing to go that extra mile for my customers. The feeling that we work closely together, keep our promises and together develop solutions that create value for the individual businesses makes me happy and proud in my work with our customers.

(1) NET REVENUE

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Net revenue distributed on products				
Fibre, rights of use, maintenance, transmission	308.336	305.909	327.391	308.402
Letting out of premises and telehouses incl. power	108.556	98.413	100.460	86.683
Sale of ducts and fibre systems	28.651	7.905	22.094	6.664
Other revenue	91.319	64.815	31.109	29.853
	536.862	**477.042**	**481.054**	**431.602**
Net revenue distributed geographically				
Domestic	397.380	346.073	365.745	375.497
Abroad	139.482	130.969	115.309	56.105
	536.862	**477.042**	**481.054**	**431.602**

(2) STAFF COSTS

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Average number of employees	227	193	174	179
Wages and salaries	112.764	85.834	84.952	72.556
Pensions	14.828	16.217	12.245	14.346
Other social security costs	1.380	1.363	1.242	1.319
Other staff costs	4.706	3.586	4.054	3.454
	133.678	**107.000**	**102.493**	**91.675**
Remuneration of management	6.635	8.569	6.635	8.569
Remuneration of board and directors	5.386	2.225	5.386	2.225
	12.021	**10.794**	**12.021**	**10.794**

An amount of tDKK 22,848 has been deducted from wages and salaries which amount has been transferred to fixed assets as indirect production costs.

(3) OTHER OPERATIONAL COSTS

In 2014, other operational costs cover net loss concerning ruling from the Institute of Arbitration, re. Management’s review.

(4) INCOME FROM SUBSIDIARIES

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Result of equity investments in group enterprises	0	0	5.657	3.774
	0	**0**	**5.657**	**3.774**

(5) OTHER FINANCIAL INCOME

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Interest income from subsidiaries	1.442	0	4.644	2.780
Other financial income	9.907	4.316	8.234	2.770
	11.349	**4.316**	**12.878**	**5.550**

(6) OTHER FINANCIAL COSTS

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Interest expense to affiliated companies	105	0	105	0
Other financial cost	59.002	43.103	58.271	42.901
	59.107	**43.103**	**58.376**	**42.901**

(7) TAX

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Calculated tax on taxable income of the year	9.741	14.522	8.944	12.676
Tax adjustment relating to prior years	-657	0	-636	0
Adjustment of deferred tax	888	-12.087	-720	-8.914
	9.972	**2.435**	**7.588**	**3.762**

(8) INTANGIBLE FIXED ASSETS

Group

Amounts in tDKK	Development cost	Prepaid rights to use	Consolidated goodwil
Cost 1 January 2015	11.088	57.970	13.650
Additions	4.958	407	30.481
Disposals	0	0	-9.108
Cost 31 December 2015	**16.046**	**58.377**	**35.023**
Amortisation 1 January 2015	554	27.181	13.047
Adjustment	0	282	0
Amortisation	2.501	5.153	2.544
Amortisation 31 December 2015	**3.055**	**32.616**	**15.591**
Carrying amount at 31 December 2015	**12.991**	**25.761**	**19.432**

Parent Company

Amounts in tDKK	Development cost	Prepaid rights to use
Cost 1 January 2015	11.088	17.280
Additions	4.958	0
Cost 31 December 2015	**16.046**	**17.280**
Amortisation at 31 December 2015	554	3.003
Amortisation	2.501	3.368
Amortisation 31 December 2015	**3.055**	**6.371**
Carrying amount at 31 December 2015	**12.991**	**10.909**

(9) TANGIBLE FIXED ASSETS

Group			
Amounts in tDKK	Land & buildings	Tangible assets under construction	Other fixtures and equipment
Cost 1 January 2015	35.412	105.766	366.639
Adjustments	0	277	1.624
Additions	1	20.536	90.412
Disposals	-131	-89.523	-1.290
Cost 31 December 2015	**35.282**	**37.056**	**457.385**
Depreciations 1 January 2015	5.930	0	188.998
Adjustments	0	0	4.544
Reversal of depreciation of assets disposed of	-14	0	-127
Depreciation	1.466	0	40.432
Depreciations 31 December 2015	**7.382**	**0**	**233.847**
Carrying amount at 31 December 2015	**27.900**	**37.056**	**223.538**
Amount of finacially leased assets	0	0	24.862

Group			
Amounts in tDKK	Leasehold improvement	Facility housing	Fibre/ ducts
Cost 1 January 2015	9.251	289.112	1.540.172
Adjustments	-83	4.784	15.517
Additions	2.399	6.262	104.481
Disposals	-783	-31	-3.548
Cost at 31 December 2015	**10.784**	**300.127**	**1.656.622**
Revaluations 1 January 2015	0	423	18.490
Revaluations of the year	0	-387	-701
Revaluations at 31 December 2015	**0**	**36**	**17.789**
Depreciations 1 January 2015	4.287	158.277	434.334
Adjustments	183	5.385	15.490
Depreciations regarding disposals of the year	-224	-12	-5.230
Depreciation	825	13.582	48.865
Depreciations at 31 December 2015	**5.071**	**177.232**	**493.459**
Carrying amount at 31 December 2015	**5.713**	**122.931**	**1.180.952**
Amount of financially leased assets	0	38.784	13.802

(9) TANGIBLE FIXED ASSETS (CONTINUED)

Amounts in tDKK	Parent company		
	Land & buildings	Tangible assets under construction	Other fixtures and equipment
Cost 1 January 2015	33.047	31.049	320.458
Adjustment	0	0	1.624
Additions	0	10.325	78.037
Disposals	-131	-31.049	-11.004
Cost at 31 December 2015	**32.916**	**10.325**	**389.115**
Depreciations 1 January 2015	5.930	0	165.692
Adjustment	0	0	1.624
Depreciations regarding disposals of the year	-14	0	-6.075
Depreciation	1.466	0	33.274
Depreciations at 31 December 2014	**7.382**	**0**	**194.515**
Carrying amount at 31 December 2014	**25.534**	**10.325**	**194.600**
Amount of financially leased assets	0	0	24.862

Amounts in tDKK	Parent company		
	Leasehold improvements	Facility housing	Fibre/ ducts
Cost 1 January 2015	6.569	266.569	1.504.494
Adjustment	-83	4.727	15.490
Additions	236	5.718	46.289
Disposals	-126	-792	-241.393
Cost at 31 December 2015	**6.596**	**276.222**	**1.324.880**
Revaluations 1 January 2015	0	423	18.490
Revaluations of the year	0	-387	-701
Revaluations at 31 December 2015	**0**	**36**	**17.789**
Depreciations 1 January 2015	3.912	139.203	434.334
Adjustment	-83	4.727	15.490
Depreciations regarding disposals of the year	-23	-308	-45.081
Depreciation	428	13.024	40.846
Depreciations at 31 December 2015	**4.234**	**156.646**	**445.589**
Carrying amount at 31 December 2015	**2.362**	**119.612**	**897.080**
Amount of financially leased assets	0	38.784	13.802

(10) FIXED ASSET INVESTMENTS

Amounts in tDKK	Parent company Investment in subsidiaries
Cost 1 January 2015	58.089
Additions	250.156
Disposals	-11.794
Cost at 31 December 2015	**296.451**
Revaluation 1 January 2015	10.106
Exchange adjustment at closing rate	564
Revaluation for the year	6.794
Amortisation of goodwill	-1.445
Revaluation at 31 December 2015	**16.019**
Carrying amount at 31 December 2015	**312.470**

INVESTMENTS IN SUBSIDIARIES

Name	Equity	Result of the year	Ownership as per cent
GlobalConnect GmbH	46.045	4.054	100
GlobalConnect Netz GmbH	243.383	24	100
SuperTel A/S	10.483	6.123	100
GigaContent A/S	18.283	-2.624	100
GC Cloud ApS	80	0	100
GC Wifi ApS	79	0	100
T26 Technology A/S	7.505	-2.408	70
Consolidated goodwill	19.432	-2.424	

T26 Technology A/S was acquired on 1 July 2015. The company is consolidated 100% from this date, adjusted for minority shareholders.

(10) FIXED ASSET INVESTMENTS (CONTINUED)

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Gross receivable from financial lease				
Amounts due within one year (2016)	11.307	11.373	6.263	6.263
Amounts due between 1 and 5 years	28.113	35.744	12.525	18.788
Amounts due after 5 years	26.060	29.795	0	0
	65.480	**76.912**	**18.788**	**25.051**
Future interest payments, not earned	-14.422	-18.436	-6.574	-9.132
	51.058	**58.476**	**12.214**	**15.919**
Net investments regarding financial lease				
Amounts due within one year (2016)	7.816	7.516	3.883	3.705
Amounts due between 1 and 5 years	20.386	25.021	8.331	12.214
Amounts due after 5 years	22.856	25.939	0	0
	51.058	**58.476**	**12.214**	**15.919**
Net present value of non-guaranteed scrap values	20.397	18.074	20.397	18.074
	71.455	**76.550**	**32.611**	**33.993**
Accumulated write-down reservations for bad debts on receivable minimum lease				
Provision 1 January	-4.950	-5.555	-611	-796
Provision of the year	503	605	194	185
Provision 31 December	**-4.447**	**-4.950**	**-417**	**-611**
Receivable regarding financial lease	**67.008**	**71.600**	**32.194**	**33.382**

(11) PREPAYMENTS AND ACCRUED INCOME

This amount primarily consists of prepaid cost.

(12) EQUITY

Amounts in tDKK

Group	Share capital	Revaluation reserve	Net revaluation under the equity method	Retained profit	Proposed dividend for the year	Total
Equity 1 January 2015	2.542	18.913	0	533.412	11.900	566.767
Dividend paid	0	0	0	0	-10.885	-10.885
Foreign exchange adjustments	0	0	0	564	0	564
Other adjustments	0	0	0	1.015	-1.015	0
Proposed distribution of profit for the year	0	-1.088	0	18.430	17.250	34.592
Equity at 31 December 2015	**2.542**	**17.825**	**0**	**553.421**	**17.250**	**591.038**

Amounts in tDKK

Parent company	Share capital	Revaluation reserve	Net revaluation under the equity method	Retained profit	Proposed dividend for the year	Total
Equity 1 January 2015	2.542	18.913	10.102	523.310	11.900	566.767
Dividend paid	0	0	0	0	-10.885	-10.885
Foreign exchange adjustments	0	0	564	0	0	564
Other adjustments	0	0	0	1.015	-1.015	0
Proposed distribution of profit for the year	0	-1.088	5.351	13.079	17.250	34.592
Equity 31 December 2015	**2.542**	**17.825**	**16.017**	**537.404**	**17.250**	**591.038**

SHARE CAPITAL

The share capital has remained unchanged for the last 5 years.

	2015 tDKK	2014 tDKK
Share capital		
Share capital is split in:		
A shares, 2.542.280 shares in the denomination of DKK 1	2.542	2.542
	2.542	**2.542**
Own shares		
Portfolio of own shares:		
A shares, 216.788 shares in the denomination of DKK 1	217	217
	217	**217**
Own shares of capital %:	8,5	8,5
	8,5	**8,5**

No own shares have been purchased or sold during the year.

(13) PROVISION FOR DEFERRED TAX

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Provision for deferred tax				
Deferred tax 1 January 2015	156.017	168.109	159.258	168.172
Adjustment of deferred tax for the year	1.419	-12.092	8.178	-8.914
Addition from merger	707	0	0	0
Deferred tax at 31 December 2015	**158.143**	**156.017**	**167.436**	**159.258**
Deferred tax relates to:				
Intangible fixed assets	4.686	3.485	3.232	2.349
Tangible fixed assets	100.519	99.952	112.829	102.010
Financial fixed assets	64.623	52.215	47.803	50.682
Current assets	1.047	0	0	0
Current liabilities	-11.385	0	0	0
Provisions	-480	-1.048	-480	-1.048
Tax losses to be carried forward	-4.918	-3.852	0	0
Interest rate swap	4.051	5.265	4.052	5.265
	158.143	**156.017**	**167.436**	**159.258**

(14) LONG-TERM LIABILITIES

Amounts in tDKK	Group			
	1/1 2015 total debt	31/12 2015 total debt	Next year's instalment	Remaining debt after 5 years
Bonds and debt to bank	635.163	768.502	78.487	7.087
Prepayments received	142.764	122.985	34.669	23.423
Other long-term debt	24.223	47.326	18.522	95
Group total	**802.150**	**938.813**	**131.678**	**30.605**

Amounts in tDKK	Parent Company			
	1/1 2015 total debt	31/12 2015 total debt	Next year's instalment	Remaining debt after 5 years
Bonds and debt to bank	635.163	768.502	78.487	7.087
Prepayments received	121.969	106.530	31.732	20.821
Other long-term debt	24.223	43.825	16.434	95
Parent company total	**781.355**	**918.857**	**126.653**	**28.003**

(15) ACCRUALS AND DEFERRED INCOME

This amount primarily consists of accrued revenue in future years

(16) CONTINGENT LIABILITIES

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Lease commitments	13.482	9.449	10.714	8.647
Rent commitments	114.650	50.092	92.410	36.393
Guarantees to third party	3.793	4.970	3.793	4.970
Securities to the bank:				
Guarantee provided in tangible assets	357.545	358.210	357.545	358.210
Floating charge	65.000	60.000	60.000	60.000
	554.470	**482.721**	**524.462**	**468.220**

The Danish companies of the group are jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

(17) RELATED PARTIES

GlobalConnect A/S' related parties include:

Controlling interests
Zibra A/S, Høveltevej 67, 3460 Birkerød is the principal shareholder.

Other related parties with whom the company has had transactions
The Company's related parties with significant influence comprise of subsidiaries and the Board of Directors, Management and other managers as well as these persons' related family members. Related parties also include companies in which before-mentioned persons have significant interests.

Transactions with related parties
The Company has not had any significant transactions, which have not been agreed to on market terms.

(18) OWNERSHIP

The following shareholders are recorded in the Company's Register of Shareholders as holding more than 5% of the votes or the share capital:

Zibra A/S
Høveltevej 67
3460 Birkerød
Denmark

Paradigm Ventures LLC
3112 Windsor Road Suite #501
Austin Texas
USA

(19) FEE TO AUDITORS APPOINTED BY THE GENERAL MEETING

	Group 2015 tDKK	Group 2014 tDKK	Parent 2015 tDKK	Parent 2014 tDKK
Fees in total				
Statutory audit	944	817	500	518
Assurance engagements	483	290	483	290
Other accounting and tax services	1.390	670	1.079	600
	2.817	**1.777**	**2.062**	**1.408**

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