

LOVEFILM DANMARK A/S

Holbergsgade 14, 2 tv
1057 København K

Annual report
1 January 2015 - 31 December 2015

**The annual report has been presented and
approved on the company's general meeting the**

18/03/2016

Robert Mackenzie
Chairman of general meeting

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Company information

Reporting company LOVEFILM DANMARK A/S
Holbergsgade 14, 2 tv
1057 København K

CVR-nr: 27189539
Reporting period: 01/01/2015 - 31/12/2015

**Main financial
institution**

Danske Bank
Holmens Kanal 2-12
1090 København K

Statement by Management

The Executive Board and Supervisory Board have today considered and adopted the Annual Report of Lovefilm Danmark A/S for the financial year 1 January - 31 December 2015.

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

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company's operations for 2015.

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

London/Seattle, the 18/03/2016

Management

Allister Byrne

Board of directors

Robert MacKenzie
Chairman

Mark Hoffman

Allister Byrne

Management's Review

General information about the business

The Company has continued to remain dormant during the year ending on 31 December 2015.

The Company regards Amazon.com, Inc., a company incorporated in the United States, as its ultimate holding company and controlling party.

The immediate parent company is Amazon Services Sweden AB (formerly known as Lovefilm Sverige AB), Corporate ID. 556635-4543.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

1. General

The financial statements of Lovefilm Danmark A/S (hereafter referred to as the 'Company') have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The financial statements are presented in Danish Kroner (kr.).

The ultimate parent company is Amazon.com, Inc., registered at 410 Terry Avenue North Seattle, Washington 98109-5210, United States of America. The consolidated financials are available at the ultimate parent company's office located in the United States.

1.1 Activities

The Company has remained dormant in the year.

1.2 Going concern

The accounting principles applied are based on the assumption that the Company will continue as a going concern.

2. Accounting policies

The accounting policies have been consistently applied to all the years presented.

2.1 Recognition and measurement

The financial statements have been prepared under the historical cost method.

R evenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized costs are recognized.

Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits attributable to the assets will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign

currencies.

2.2 Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

2.3 Gross result

With reference to section 32 of the Danish Financial Statements Act, the items "Revenue" to and including "other external expenses" are consolidated into one item designated Gross result.

2.4 Other external expenses

Other external charges are related to the operations of the Company.

2.5 Financial income and expenses

Financial income and expenses comprise interest and bank charges.

Income statement 1 Jan 2015 - 31 Dec 2015

	Disclosure	2015 kr.	2014 kr.
Gross Result		-4,821	4,663
Gross profit (loss)		-4,821	4,663
Profit (loss) from ordinary operating activities		-4,821	4,663
Other finance income	1	100	162
Other finance expenses	2	-3,301	-2,268
Profit (loss) from ordinary activities before tax		-8,022	2,557
Profit (loss)		-8,022	2,557
Proposed distribution of results			
Retained earnings		-8,022	2,557
Proposed distribution of profit (loss)		-8,022	2,557

Balance sheet 31 December 2015

Assets

	Disclosure	2015	2014
		kr.	kr.
Cash and cash equivalents		683,877	686,140
Current assets		683,877	686,140
Total assets		683,877	686,140

Balance sheet 31 December 2015

Liabilities and equity

	Disclosure	2015 kr.	2014 kr.
Contributed capital		1,117,230	1,117,230
Paid contributed capital		3,703,519	3,703,519
Retained earnings		-4,142,631	-4,134,609
Total equity	3	678,118	686,140
Other payables, including tax payables, liabilities other than provisions		5,759	0
Short-term liabilities other than provisions, gross		5,759	0
Liabilities other than provisions, gross		5,759	0
Liabilities and equity, gross		683,877	686,140

Disclosures

1. Other finance income

	31 Dec 2015	31 Dec 2014
	kr.	kr.
Other financial income	100	162
	<u>100</u>	<u>162</u>

2. Other finance expenses

	31 Dec 2015	31 Dec 2014
	kr.	kr.
Bank charges	3,301	0
Interest paid to group companies	0	2,268
	<u>3,301</u>	<u>2,268</u>

3. Total equity

	Ordinary shares	Paid contri buted capital	Retained earnings	Profit/(Loss) for the year	Total
	kr.	kr.	kr.	kr.	kr.
Balance as at 1 January 2015	1,117,230	3,703,519	(4,137,166)	2,557	686,140
Allocation of results	0	0	2,557	(2,557)	0
Loss of the year	0	0	0	(8,022)	(8,022)
Balance as at 31 December 2015	1,117,230	3,703,519	(4,137,166)	(8,022)	678,118