

Land & Leisure A/S


Lyngbyvej 20
2100 København Ø

CVR no. 31 22 65 11

Annual report for the period 1 October 2015 – 31 December 2016

The annual report was presented and approved at the
Company's annual general meeting on

31 May 2017



chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Land & Leisure A/S for the financial period 1 October 2015 – 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 October 2015 – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2017

Executive Board:



Steen Seitner



Kim Holmsted

Board of Directors:

Tobias Wann
Chairman



Steen Seitner

Bodo Thorsten
Thielmann
Vice Chairman



Kim Holmsted

Christian Marcus
Wandrey

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We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2017
Executive Board:


Steen Seitner

Kim Holmsted

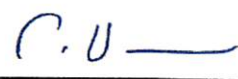
Board of Directors:



Tobias Wann
Chairman



Bodo Thorsten
Thielmann
Vice Chairman



Christian Marcus
Wandrey

Steen Seitner

Kim Holmsted



Independent auditor's report

To the shareholder of Land & Leisure A/S

Opinion

We have audited the financial statements of Land & Leisure A/S for the financial period 1 October 2015 – 31 December 2016 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial period 1 October 2015 – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our



Independent auditor's report

audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Benny Lynge Sørensen', written over a horizontal line.

Benny Lynge Sørensen
State Authorised
Public Accountant

Land & Leisure A/S
Annual report 2015/2016
CVR no. 31 22 65 11

Management's review

Company details

Land & Leisure A/S
Lyngbyvej 20
2100 København Ø

CVR no.: 31 22 65 11
Registered office: Copenhagen
Financial period: 1 October – 31 December

Board of Directors

Tobias Wann, Chairman
Bodo Thorsten Thielmann, Vice Chairman
Christian Marcus Wandrey
Steen Seitner
Kim Holmsted

Executive Board

Steen Seitner
Kim Holmsted

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 31 May 2017.

Management's review

Operating review

Principal activities

The Company's principal activities comprise of holding equity investments in various entities within rental of holiday accommodation in Scandinavia and, to a lesser extent, Germany.

Development in activities and financial position

In 2016, all shares in Land & Leisure A/S, were acquired by the Dutch company @Leisure Holding B.V. The company is one of the largest players in the European online market for rental of holiday accommodation and an indirect subsidiary of Axel Springer SE.

Events after the balance sheet date

No events have occurred after the balance sheet date that may significantly affect the Company's financial position.

Treasury shares

The company holds own shares with a total of 934,961. This is equivalent to 1,23% of the 76,000,000 share capital.

Financial statements 1 October – 31 December

Income statement

DKK'000	Note	1 October 2015 – 31 December 2016	1 October 2014 – 30 September 2015
Gross loss		-12,322	-2,983
Staff costs	2	-2,309	-2,234
Depreciation, amortisation and impairment losses		-2,717	-225
Operating loss		-17,348	-5,442
Financial income from group entities		-1,647	6,579
Financial income	3	815	273
Financial expenses	4	-168	-865
Profit/loss before tax		-18,348	545
Tax on profit/loss for the year	5	1,896	1,501
Profit/loss for the year		-16,452	2,046
Proposed profit appropriation/distribution of loss			
Proposed dividend for the financial period		26,008	22,800
Retained earnings		-42,460	-20,754
		-16,452	2,046

Financial statements 1 October – 31 December

Balance sheet

DKK'000	Note	31 December 2016	30 September 2015
ASSETS			
Fixed assets			
Property, plant and equipment			
	6		
Land and buildings		2,777	5,462
Rental properties		0	723
Property, plant and equipment in progress		0	150
Fixtures and fittings, tools and equipment		284	257
		<u>3,061</u>	<u>6,592</u>
Investments			
	7		
Equity investments in group entities		222,937	249,511
Investments in associates		7,266	7,281
Other securities and equity investments		0	300
Receivables (non-current)		0	13,600
Deferred tax asset		241	257
		<u>230,444</u>	<u>270,949</u>
Total fixed assets		<u>233,505</u>	<u>277,541</u>
Current assets			
Receivables			
Receivables from group entities		18,273	7
Other receivables		0	50
Joint taxation		7,235	7,815
Corporation tax		2,433	2,593
Prepayments		0	56
		<u>27,941</u>	<u>10,521</u>
Cash at bank and in hand		<u>175</u>	<u>17,486</u>
Total current assets		<u>28,116</u>	<u>28,007</u>
TOTAL ASSETS		<u>261,621</u>	<u>305,548</u>

Financial statements 1 October – 31 December

Balance sheet

DKK'000	Note	31 December 2016	30 September 2015
EQUITY AND LIABILITIES			
Equity	8		
Share capital		228,000	228,000
Proposed dividends for the year		26,008	22,800
Retained earnings		<u>0</u>	<u>45,057</u>
Total equity		<u>254,008</u>	<u>295,857</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Deposits		<u>239</u>	<u>274</u>
		239	274
Current liabilities other than provisions			
Trade payables		452	329
Payables to group entities		2,636	0
Joint taxation		8	169
Other payables		<u>4,278</u>	<u>8,919</u>
		7,374	9,417
Total liabilities other than provisions		<u>7,613</u>	<u>9,691</u>
TOTAL EQUITY AND LIABILITIES		<u>261,621</u>	<u>305,548</u>
Contractual obligations, contingencies, etc..		9	
Related party disclosures		10	

Financial statements 1 October – 31 December

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1 Accounting policies

The annual report of Land & Leisure A/S for 2015/16 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with options from higher reporting classes.

Land & Leisure has changed their financial year from 1 October - 30 September to 1 January - 31 December. This change is related to the change in group organisation as an effect of this the financial year for the current year will be 1 October 2015 to 31 December 2016.

Minor reclassifications to the comparison figures has been incorporated in the financials statements.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of Axel Springer SE.

Change in accounting policies

In July 2016, all shares in Land & Leisure A/S, were acquired by the Dutch company @Leisure Holding B.V. Land & Leisure A/S is no longer a listed company and does not prepare consolidated financial statements. Furthermore, the company has changed their reporting from reporting under IFRS to reporting under the Danish Financial Statements Act. The transition to the Danish Financial Statements Act has entailed the following changes to the accounting policies:

Goodwill is now amortised over 10 years, whereas under IFRS goodwill was not amortised. Instead, an annual impairment test was performed. Moreover, the Company's equity investments are now recognised in accordance with the equity method in the Parent Company. Under IFRS, these were recognised at cost.

The Company has chosen not to apply the transitional provisions, and consequently, the changes have been made retrospectively.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

The accounting effect of the transition to the Danish Financial Statements Act can be specified as follows:

DKK'000	1 October 2015 – 31 December 2016	1 October 2014 – 30 September 2015
Effect on:		
Profit/loss	-32,379	-17,329
Total assets	-76,984	-44,605
Equity	-76,984	-44,605

The comparative figures have been restated to reflect the changed accounting policies.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared.

The consolidated financial statements may be obtained at the following address:

Axel Springer SE
Axel-Springer-Strasse 65
10888 Berlin
Germany

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Income statement

Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Income from equity investments in group entities and associates

The proportionate share of the individual subsidiaries' and associates' profit/loss after tax is recognised in the Parent Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	30-50 years
Rental properties	40-50 years
Fixtures and fittings, tools and equipment	4-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Property, plant and equipment under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Equity investments in group entities

Equity investments in group entities are measured at fair value in accordance with the equity method. If the fair value cannot be determined reliably, equity investments in group entities are recognised at cost. If cost exceeds the net realisable value, write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial statements 1 October – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividend

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

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and associates in proportion to cost.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Financial statements 1 October – 31 December

Notes

2 Staff costs

DKK'000	1 October 2015 – 31 December 2016	1 October 2014 – 30 September 2015
Wages and salaries	2,295	2,062
Share options	13	101
Other social security costs	1	1
Other staff costs	0	70
	<u>2,309</u>	<u>2,234</u>
Average number of full-time employees	<u>1</u>	<u>1</u>

3 Financial income

Interest income from group entities	750	202
Other interest income	65	71
	<u>815</u>	<u>273</u>

4 Financial expenses

Impairment losses on financial assets	0	12
Interest expense to group entities	30	605
Profit from associated entity	15	0
Other financial expenses	123	248
	<u>168</u>	<u>865</u>

5 Tax on profit/loss for the year

Current tax for the year	1,912	1,779
Adjustment of deferred tax for the year	-16	12
Adjustment regarding prior years	0	-290
	<u>1,896</u>	<u>1,501</u>

Financial statements 1 October – 31 December

Notes

6 Property, plant and equipment

DKK'000	Land & Building	Rental Properties	Property, plant and equipment in progress	Fixtures and fittings, tools and equipment	Total
Cost at 1 October 2015	7,960	731	150	322	9,163
Additions	0	0	0	55	55
Disposals	0	-731	-150	0	-881
Cost at 31 December 2016	7,960	0	0	377	8,337
Depreciation and impairment losses at 1 October 2015	-2,497	-8	0	-65	-2,570
Impairment losses	-2,436	0	0	0	-2,436
Depreciation	-250	0	0	-28	-278
Disposals	0	8	0	0	8
Depreciation and impairment losses at 31 December 2016	-5,183	0	0	-93	-5,276
Carrying amount at 31 December 2016	2,777	0	0	284	3,061

7 Investments

DKK'000	Equity investments in subsidiaries	Equity investments in associates
Cost at 1 October 2015	296,030	7,311
Additions	5,543	0
Cost at 31 December 2016	301,573	7,311
Value adjustment at 1 October 2015	-46,518	-30
Profit/loss for the year	26,580	-15
Amortised goodwill	-28,227	0
Dividends received	-30,732	0
Exchange rate adjustments	95	0
Other adjustments	166	0
Value adjustments at 31 December 2016	-78,636	-45
Carrying amount at 31 December 2016	222,937	7,266

Financial statements 1 October – 31 December

Notes

8 Equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
Equity at 1 October 2014	234,000	90,623	15,600	340,223
Adjustment, conversion from IFRS to Danish GAAP	0	-27,276	0	-27,276
Adjusted equity at 1 October 2014	234,000	63,347	15,600	312,947
Distributed dividends	0	0	-15,600	-15,600
Share capital disposal	-6,000	6,000	0	0
Share-based payment	0	101	0	101
Exercise of share options	0	1,220	0	1,220
Acquisition of treasury shares	0	-5,350	0	-5,350
Dividend, treasury shares	0	493	0	493
Profit/loss for the year	0	-20,754	22,800	2,046
Equity at 30 September 2015	228,000	45,057	22,800	295,857
Equity at 1 October 2015	228,000	45,057	22,800	295,857
Distributed dividends	0	0	-22,800	-22,800
Share-based payment	0	13	0	13
Exercise of share options	0	-3,154	0	-3,154
Exchange adjustments, subsidiaries	0	95	0	95
Dividend, treasury shares	0	283	0	283
Adjustment of currency forward contracts	0	166	0	166
Profit/loss for the year	0	-42,460	26,008	-16,452
Equity at 31 December 2016	228,000	0	26,008	254,008

The share capital consists of 76,000,000 shares of a nominal value of DKK 3 each.

The shares are divided in A-shares and B-shares of respectively 75,072,587 and 927,413.

9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has several liability for tax on the Group's jointly taxed income and any tax withheld at source.

Financial statements 1 October – 31 December

Notes

10 Related party disclosures

Land & Leisure A/S' related parties comprise the following:

Control

@Leisure Holding B.V. holds the majority of the share capital in the Company.

Land & Leisure A/S is part of the consolidated financial statements of Axel Springer SE, Berlin, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Axel Springer SE can be obtained by contacting the Company

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.