TT-Netværket
TT-Netværket P/S
Amager Strandvej 60
2300 København S
Telephone +45 88 13 60 70
www.tt-network.dk

TT-Netværket P/S

Annual report 2015

godkendt på generalforsamling
i selskabet 21/4 2016

Flemming Pagh
direktør

CVR no. 34 23 06 25

Contents

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 TT-Netværket P/S for the financial year 1 January – 31 December 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results for the year and the Company's financial position.

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

Copenhagen, 21 April 2016
Executive Board:

Carl Johan Wickman

Board of Directors:

Jesper Kamp Andersen Chairman	Claes Johan Nykander Vice Chairman	Allan Kock
Lars Rude Andersen	Leif Brandt	Jon Omund Revhaug

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Telephone +45 70 70 77 60
www.kpmg.dk
CVR no. 25 57 81 98

Independent auditor's report

To the shareholders of TT-Netværket P/S

Independent auditor's report on the financial statements

We have audited the financial statements of TT-Netværket P/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 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 financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 21 April 2016
KPMG
Statsautoriseret Revisionspartnerselskab

Jon Wilson Beck
State Authorised
Public Accountant

Management's review

Company details

TT-Netværket P/S
Amager Strandvej 60
2300 København S

Telephone:	+45 88 13 60 70
Website:	www.tt-network.dk
CVR no.:	34 23 06 25
Established:	17 February 2012
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Jesper Kamp Andersen, chairman
Claes Johan Nykander, vice chairman
Allan Kock
Lars Rude Andersen
Leif Brandt
Jon Omund Revhaug

Executive Board

Carl Johan Wickman, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Bank

Nordea Danmark A/S

Management's review

Financial highlights

DKK'000	2015	2014	2013	2012 11 months
Key figures				
Revenue	870,151	966,906	1,027,790	664,703
Gross profit	475,929	374,602	498,002	285,712
Ordinary operating profit	123,593	222	100,055	85,316
Loss from financial income and expenses	-40,445	-43,927	-42,310	-32,033
Profit/loss for the year	**83,148**	**-43,705**	**57,745**	**53,283**
Non-current assets	2,597,798	2,619,301	2,551,636	2,504,606
Current assets	313,972	320,060	389,666	295,482
Total assets	**2,911,770**	**2,939,361**	**2,941,302**	**2,800,088**
Investment in property, plant and equipment	321,780	433,265	428,771	2,543,936
Share capital	100,000	100,000	100,000	100,000
Equity	**950,471**	**867,323**	**911,028**	**853,283**
Provisions	445,104	531,225	403,318	307,573
Non-current liabilities other than provisions	1,242,946	1,253,380	1,263,689	1,273,875
Current liabilities other than provisions	273,249	287,433	363,267	365,357
Financial ratios				
Operating margin	14.2%	0.5%	9.7%	12.8%
Return on invested capital	4.7%	0.2%	3.4%	3.0%
Gross margin	54.7%	38.7%	48.5%	43.0%
Current ratio	114.9%	111.4%	105.5%	80.9%
Solvency ratio	32.6%	29.5%	31.0%	30.5%
Return on equity	9.2%	-4.9%	6.3%	6.2%
Average number of full-time employees	**17**	**16**	**16**	**5**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Company

TT-Netværket is a joint venture between Telenor and Telia, and its objective is to own, maintain and develop the common Radio Access Network related to all technologies (2G, 3G and 4G), including merging Telia's and Telenor's networks into the best mobile network in Denmark.

The Company was founded on 17 February 2012, and this is the fourth annual report presented by the Company.

Recognition and measurement uncertainties

The Company has made a provision of DKK 379,234 thousand to cover expected future costs related to the dismantling of antenna positions. The calculation of the provision is based on expected future prices for dismantling. The current average prices for dismantling are known, but the timing of the costs (useful lives of the antenna positions) and future prices are subject to uncertainty.

A total of DKK 64,269 thousand of the retirement obligation was realised in 2015 as obsolete antenna positions, resulting from the merger of the Telia and Telenor networks, have been dismantled. An additional DKK 4,286 thousand is expected to be realised in 2016 for the same reason. The realisation of the retirement obligation in 2015 has resulted in an accounting gain of DKK 15,654 thousand due to the limited experience with the actual prices of dismantling antenna positions in prior years.

Development in activities and financial position

Profit/loss for the year

The Company's income statement for 2015 shows a net profit of DKK 83,148 thousand, and the balance sheet at 31 December 2015 shows equity of DKK 950,471 thousand.

This is a significant improvement to profit compared with 2014 where net income was significantly affected by the completion of the network consolidation which resulted in extraordinary restructuring costs for onerous contracts of DKK 120,714 thousand. This accounts for most of the difference in net income between 2014 and 2015.

Net income is considered satisfactory and in line with expectations.

Events after the balance sheet date

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

Management's review

Operating review

Outlook

The Company completed the network merger and dismantled the vast majority of the obsolete sites in 2015. For 2016, the Company expects normal operations as well as positive net profit.

Intellectual capital

The Company's activities require significant expertise in the operation and development of mobile networks. It is therefore essential to the Company to recruit and retain employees with the appropriate training and level of experience.

It is the Company's view that the current internal and external conditions allow both recruitment and retention of employees with the appropriate skills.

The share of employees with high-level education is approx. 80%.

Risks

The Company has no significant risks apart from those common for the industry.

Statutory statement regarding social responsibility

Given the activity and structure of ownership, the material social responsibility area for TT Netværket P/S is electricity consumption.

The Company has significant electricity consumption, and the future expansion of the network to meet the demand for extended coverage and capacity will increase future consumption. The Company focuses on and will continue to focus on reducing electricity consumption and subsequent CO_2 emissions. In 2015, the Company optimised the cooling systems and new network features of some of the antenna positions to reduce electricity consumption. These optimisations have resulted in electricity savings of 11 GWh compared to last year. These savings have, however, been offset by additional electricity consumption from the expansion of the network. The Company will continue to invest in initiatives to reduce electricity consumption.

The Company requires that all third party suppliers comply with the supplier code of conduct principles specified by Telenor and TeliaSonera covering for instance human rights. In 2015, all suppliers have agreed to these principles.

The Company has more than 4,000 antenna positions across Denmark. All antennas are built in accordance with current regulations and building permits, ensuring that the impact on the external environment is limited and within laws and guidelines.

It is the goal of the Company that the underrepresented gender in the Board of Directors should be represented by at least 1 of 6 persons by the end of 2018. The goal has not yet been fulfilled. The Board of Directors is elected by the owners based on qualifications, and both genders are considered equal.

Financial statements 1 January – 31 December

Accounting policies

The annual report of TT-Netværket P/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, applying a constant yield to maturity. Amortised cost is the original cost less any principal repayments and plus/minus the cumulative amortisation of the difference between cost and nominal value.

Recognition and measurement take into account gains, losses and risks occurring prior to the annual report that evidence affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred for this year's earnings are recognised, including depreciation, amortisation, impairment losses and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Accounting policies

Income statement

Revenue

Revenue comprises the value of services provided less value added tax and is recognised in the income statement provided that all the risks and rewards have been transferred to the buyer.

Other external expenses

Other external expenses include expenses relating to site rent, administration, office premises, etc.

Staff costs

Staff costs include wages and salaries, including holiday pay, pensions and other social security costs, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Intangible assets comprise acquired rights, including mobile licences and software licences.

Licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the licence period; however, not exceeding 20 years.

Gains and losses on the disposal of licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as amortisation and impairment losses.

Property, plant and equipment

Land, plant and machinery are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Financial statements 1 January – 31 December

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost includes retirement obligation if it meets the conditions for recognition of provisions.

For property, plant and equipment under construction, cost includes direct labour, materials, purchased parts and labour work provided by a sub-supplier.

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

Plant and machinery	5-30 years

Depreciation is recognised in the income statement as depreciation and impairment losses.

If the depreciation period or the residual value is changed, the effect on depreciation going forward is considered a change in accounting estimates.

Gains and losses on the disposal of property, plant and equipment are determined 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 depreciation and impairment losses.

Impairment of non-current assets

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

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 expected cash flows from the use of the asset or the group of assets after the end of the useful life.

Other assets

Other assets comprise deposits and are measured at cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Provisions

Provisions include asset retirement obligations. Provisions are recognised when, at the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

When the Company is obligated to dismantle an asset or restore the site on which the asset is used, a liability equal to the present value of the expected future costs is recognised. After initial recognition of the present value, the accretion expense is recognised as a financial expense in the income statement.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Financial statements 1 January – 31 December

Accounting policies

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Significant accounting estimates, assumptions and uncertainties

Many items cannot be reliably measured but only estimated. Such estimates are based on the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the factors underlying the estimates or due to new information, more experience or subsequent events.

In connection with the practical application of the accounting policies, Management makes significant judgements significantly affecting the financial statements within the following areas.

Asset retirement obligation

In most cases, the asset retirement will take place in the distant future, and therefore, it will lead to significant uncertainty as to whether the liability will actually be settled. The actual gross settlement costs that the Company incurs may differ materially from the estimated costs, for example because of price negotiations or agreements that reduce or relieve the Company from its obligations. The timing of the settlement process may also differ significantly from the estimated timing.

Estimated useful lives

The expected useful lives of property, plant and equipment and intangible assets are reviewed annually to ensure consistency with the expected useful lives of the assets based on current facts and circumstances.

Financial statements 1 January – 31 December

Accounting policies

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Operating margin	Operating profit/loss x 100 / Revenue
Return on invested capital	Operating profit/loss x 100 / Average invested capital
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Gross margin	Gross profit/loss x 100 / Revenue
Current ratio	Current assets x 100 / Current liabilities
Solvency ratio	Equity ex. non-controlling interests at year end x 100 / Total equity and liabilities at year end
Return on equity	Profit/loss from ordinary activities after tax x 100 / Average equity

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Revenue	1	870,151	966,906
Other operating income		1,280	0
Other external expenses		-395,502	-592,304
Gross profit		475,929	374,602
Staff costs	2	-14,050	-12,135
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	3	-338,286	-362,245
Ordinary operating profit		123,593	222
Financial income	4	0	125
Financial expenses	5	-40,445	-44,052
Profit/loss for the year		83,148	-43,705

Proposed profit appropriation/distribution of loss			
Retained earnings		83,148	-43,705
		83,148	-43,705

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	6		
Acquired licences and comparable rights		97,889	103,824
		97,889	103,824
Property, plant and equipment	7		
Land		473	461
Plant and machinery		2,423,073	2,444,542
Plant and machinery under construction		35,870	25,725
		2,459,416	2,470,728
Other assets	8		
Deposits		40,493	44,749
		40,493	44,749
Total non-current assets		2,597,798	2,619,301
Current assets			
Receivables			
Receivables from group entities		140,654	188,251
Other receivables		26,139	26,809
Prepayments		12,542	14,487
		179,335	229,547
Cash at bank and in hand		134,637	90,513
Total current assets		313,972	320,060
TOTAL ASSETS		2,911,770	2,939,361

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
EQUITY AND LIABILTIES			
Equity			
Share capital	9	100,000	100,000
Share premium		700,000	700,000
Retained earnings		150,471	67,323
Total equity		950,471	867,323
Provisions			
Asset retirement obligation	10	379,234	416,166
Other provisions		65,870	115,059
Total provisions		445,104	531,225
Liabilities other than provisions			
Non-current liabilities other than provisions	11		
Liability to the Danish Business Authority related to mobile licences		42,946	53,380
Loan from group entities		1,200,000	1,200,000
		1,242,946	1,253,380
Current liabilities other than provisions			
Current portion of non-current liabilities other than provisions	11	11,146	11,146
Trade payables		45,901	62,842
Payables to group entities		191,610	170,072
Other payables		24,592	42,824
Deferred income		0	549
		273,249	287,433
Total liabilities other than provisions		1,516,195	1,540,813
TOTAL EQUITY AND LIABILITIES		2,911,770	2,939,361

Contractual obligations, contingencies, etc.	12
Fees paid to auditor appointed at the annual general meeting	13
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2015	100,000	700,000	67,323	867,323
Transferred; see profit appropriation/distribution of loss	0	0	83,148	83,148
Equity at 31 December 2015	100,000	700,000	150,471	950,471

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2015	2014
Profit/loss for the year		83,148	-43,705
Depreciation and amortisation		338,286	362,245
Changes in provisions		-99,159	115,115
Other non-cash operating items, net		944	-23
Financial income		0	-125
Financial expenses		40,445	44,052
Cash flows from operating activities before changes in working capital		363,664	477,559
Changes in working capital	15	36,027	-17,489
Cash flows from operating activities		399,691	460,070
Interest received		0	125
Interest paid		-26,695	-30,422
Cash flows from operating activities		372,996	429,773
Acquisition of intangible assets		-109	-174
Acquisition of property, plant and equipment		-321,783	-433,265
Deposits		4,256	3,377
Cash flows from investing activities		-317,636	-430,062
Repayment of long-term debt		-11,146	-11,146
Cash flows from financing activities		-11,146	-11,146
Net cash flows for the year		44,214	-11,435
Cash and cash equivalents at 1 January		90,423	101,858
Cash and cash equivalents at 31 December		134,637	90,423

The cash flow statement cannot be directly derived from the other components of the financial statements.

Financial statements 1 January – 31 December

Notes

1 **Revenue**

The Company's services related to revenue for the year of DKK 870,151 thousand (2014: DKK 966,906 thousand) have only been provided in Denmark to the owners of the Company.

	DKK'000	2015	2014
2	**Staff costs**		
	Wages and salaries	11,926	9,863
	Pensions	991	936
	Social security costs	119	118
	Other staff costs	1,014	1,218
		14,050	12,135
	Average number of employees	17	16

Pursuant to the exemption clause for reporting class C entities under the Danish Financial Statements Act, the Company has chosen to omit disclosing executive remuneration as only the Executive Board has received remuneration.

3 **Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses**

		2015	2014
	Intangible assets	6,044	6,025
	Property, plant and equipment	327,676	351,983
	Scrapped assets	4,566	4,237
		338,286	362,245
4	**Financial income**		
	Interest receivable, exchange gains and similar income	0	125
5	**Financial expenses**		
	Interest payable to group entities	26,348	30,278
	Other interest expenses, exchange losses and similar expenses	14,097	13,774
		40,445	44,052

Financial statements 1 January – 31 December

Notes

6 Intangible assets

DKK'000	Acquired licences and comparable rights
Cost at 1 January 2015	113,194
Additions during the year	109
Cost at 31 December 2015	113,303
Impairment losses and amortisation at 1 January 2015	9,370
Amortisation	6,044
Impairment losses and amortisation at 31 December 2015	15,414
Carrying amount at 31 December 2015	97,889

7 Property, plant and equipment

DKK'000	Land	Plant and machinery	Plant and machinery under construction	Total
Cost at 1 January 2015	461	3,056,126	25,725	3,082,312
Additions during the year	12	58,452	263,318	321,782
Transferred	0	253,173	-253,173	0
Disposals during the year	0	64,100	0	64,100
Cost at 31 December 2015	473	3,431,851	35,870	3,468,194
Impairment losses and depreciation at 1 January 2015	0	611,584	0	611,584
Depreciation	0	327,676	0	327,676
Disposals	0	69,518	0	69,518
Impairment losses and depreciation at 31 December 2015	0	1,008,778	0	1,008,778
Carrying amount at 31 December 2015	473	2,423,073	35,870	2,459,416
Depreciated over		5-30 years		

Financial statements 1 January – 31 December

Notes

8 Other assets

DKK'000	Deposits
Cost at 1 January 2015	44,749
Net disposals during the year	-4,256
Cost at 31 December 2015	40,493
Carrying amount at 31 December 2015	40,493

9 Share capital

The share capital consists of:

DKK'000	2015	2014
100,000 shares of nom. DKK 1 each	100,000	100,000

All shares rank equally.

There have been no changes in the share capital since the formation of the Company on 17 February 2012.

10 Provisions

DKK'000	Asset retirement obligation	Other provisions	Total
Provisions at 1 January 2015	416,166	115,059	531,225
Additions and adjustments during the year	27,337	-2,582	24,755
Utilised during the year	-64,269	-46,607	-110,876
Provisions at 31 December 2015	379,234	65,870	445,104

Other provisions relate to provisions for onerous site rental contracts.

Of total provisions, DKK 26 million is expected to fall due within one year.

Financial statements 1 January – 31 December

Notes

11 Non-current liabilities other than provisions

DKK'000	Total liabilities at 1 January 2015	Total liabilities at 31 December 2015	Repayment next year	Non-current portion	Outstanding debt after 5 years
Liability to the Danish Business Authority related to mobile licences	64,526	53,380	11,146	42,946	0
Loan from group entities	1,200,000	1,200,000	0	1,200,000	0
	1,264,526	1,253,380	11,146	1,242,946	0

DKK'000	2015	2014
12 Contractual obligations, contingencies, etc.		
Rent payments concerning a contract that is non-cancellable until 1 September 2017	1,549	2,099
Payments under operating leases regarding cars	464	574
Site rent payments regarding non-cancellable contracts	448,688	450,142
	450,701	452,815
13 Fees paid to auditor appointed at the annual general meeting		
Total fees to KPMG	203	203
Statutory audit	135	135
Assurance engagements	50	50
Other assistance	18	18
	203	203

Financial statements 1 January – 31 December

Notes

14 **Related party disclosures**

TT-Netværket P/S' related parties comprise the following:

- Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92
- TeliaSonera Mobile Holding AB, Sweden
- Komplementarselskabet af 14. juni 2011 A/S, Amager Strandvej 60, 2300 København S, Denmark, CVR no. 34 20 41 78
- Executive Board and Board of Directors.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

- Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92
- TeliaSonera Mobile Holding AB, Sweden.

	DKK'000	2015	2014
15	**Change in working capital**		
	Change in receivables	50,212	58,261
	Change in trade and other payables	-14,185	-75,750
		36,027	-17,489

TT-Netværket
TT-Netværket P/S
Amager Strandvej 60
2300 København S
Telephone +45 88 13 60 70
www.tt-network.dk

TT-Netværket P/S

Annual report 2015

godkendt på generalforsamlingen
21/4 2016

Henrik Pegtz
dirigent

CVR no. 34 23 06 25

Contents

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 TT-Netværket P/S for the financial year 1 January – 31 December 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results for the year and the Company's financial position.

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

Copenhagen, 21 April 2016
Executive Board:

Carl Johan Wickman

Board of Directors:

Jesper Kamp Andersen
Chairman

Claes Johan Nykander
Vice Chairman

Allan Kock

Lars Rude Andersen

Leif Brandt

Jon Omund Revhaug

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Telephone +45 70 70 77 60
www.kpmg.dk
CVR no. 25 57 81 98

Independent auditor's report

To the shareholders of TT-Netværket P/S

Independent auditor's report on the financial statements

We have audited the financial statements of TT-Netværket P/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 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 financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 21 April 2016
KPMG
Statsautoriseret Revisionspartnerselskab

Jon Wilson Beck
State Authorised
Public Accountant

Management's review

Company details

TT-Netværket P/S
Amager Strandvej 60
2300 København S

Telephone:	+45 88 13 60 70
Website:	www.tt-network.dk
CVR no.:	34 23 06 25
Established:	17 February 2012
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Jesper Kamp Andersen, chairman
Claes Johan Nykander, vice chairman
Allan Kock
Lars Rude Andersen
Leif Brandt
Jon Omund Revhaug

Executive Board

Carl Johan Wickman, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Bank

Nordea Danmark A/S

Management's review

Financial highlights

DKK'000	2015	2014	2013	2012 11 months
Key figures				
Revenue	870,151	966,906	1,027,790	664,703
Gross profit	475,929	374,602	498,002	285,712
Ordinary operating profit	123,593	222	100,055	85,316
Loss from financial income and expenses	-40,445	-43,927	-42,310	-32,033
Profit/loss for the year	**83,148**	**-43,705**	**57,745**	**53,283**
Non-current assets	2,597,798	2,619,301	2,551,636	2,504,606
Current assets	313,972	320,060	389,666	295,482
Total assets	**2,911,770**	**2,939,361**	**2,941,302**	**2,800,088**
Investment in property, plant and equipment	321,780	433,265	428,771	2,543,936
Share capital	100,000	100,000	100,000	100,000
Equity	**950,471**	**867,323**	**911,028**	**853,283**
Provisions	445,104	531,225	403,318	307,573
Non-current liabilities other than provisions	1,242,946	1,253,380	1,263,689	1,273,875
Current liabilities other than provisions	273,249	287,433	363,267	365,357
Financial ratios				
Operating margin	14.2%	0.5%	9.7%	12.8%
Return on invested capital	4.7%	0.2%	3.4%	3.0%
Gross margin	54.7%	38.7%	48.5%	43.0%
Current ratio	114.9%	111.4%	105.5%	80.9%
Solvency ratio	32.6%	29.5%	31.0%	30.5%
Return on equity	9.2%	-4.9%	6.3%	6.2%
Average number of full-time employees	**17**	**16**	**16**	**5**

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activities of the Company

TT-Netværket is a joint venture between Telenor and Telia, and its objective is to own, maintain and develop the common Radio Access Network related to all technologies (2G, 3G and 4G), including merging Telia's and Telenor's networks into the best mobile network in Denmark.

The Company was founded on 17 February 2012, and this is the fourth annual report presented by the Company.

Recognition and measurement uncertainties

The Company has made a provision of DKK 379,234 thousand to cover expected future costs related to the dismantling of antenna positions. The calculation of the provision is based on expected future prices for dismantling. The current average prices for dismantling are known, but the timing of the costs (useful lives of the antenna positions) and future prices are subject to uncertainty.

A total of DKK 64,269 thousand of the retirement obligation was realised in 2015 as obsolete antenna positions, resulting from the merger of the Telia and Telenor networks, have been dismantled. An additional DKK 4,286 thousand is expected to be realised in 2016 for the same reason. The realisation of the retirement obligation in 2015 has resulted in an accounting gain of DKK 15,654 thousand due to the limited experience with the actual prices of dismantling antenna positions in prior years.

Development in activities and financial position

Profit/loss for the year

The Company's income statement for 2015 shows a net profit of DKK 83,148 thousand, and the balance sheet at 31 December 2015 shows equity of DKK 950,471 thousand.

This is a significant improvement to profit compared with 2014 where net income was significantly affected by the completion of the network consolidation which resulted in extraordinary restructuring costs for onerous contracts of DKK 120,714 thousand. This accounts for most of the difference in net income between 2014 and 2015.

Net income is considered satisfactory and in line with expectations.

Events after the balance sheet date

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

Management's review

Operating review

Outlook

The Company completed the network merger and dismantled the vast majority of the obsolete sites in 2015. For 2016, the Company expects normal operations as well as positive net profit.

Intellectual capital

The Company's activities require significant expertise in the operation and development of mobile networks. It is therefore essential to the Company to recruit and retain employees with the appropriate training and level of experience.

It is the Company's view that the current internal and external conditions allow both recruitment and retention of employees with the appropriate skills.

The share of employees with high-level education is approx. 80%.

Risks

The Company has no significant risks apart from those common for the industry.

Statutory statement regarding social responsibility

Given the activity and structure of ownership, the material social responsibility area for TT Netværket P/S is electricity consumption.

The Company has significant electricity consumption, and the future expansion of the network to meet the demand for extended coverage and capacity will increase future consumption. The Company focuses on and will continue to focus on reducing electricity consumption and subsequent CO2 emissions. In 2015, the Company optimised the cooling systems and new network features of some of the antenna positions to reduce electricity consumption. These optimisations have resulted in electricity savings of 11 GWh compared to last year. These savings have, however, been offset by additional electricity consumption from the expansion of the network. The Company will continue to invest in initiatives to reduce electricity consumption.

The Company requires that all third party suppliers comply with the supplier code of conduct principles specified by Telenor and TeliaSonera covering for instance human rights. In 2015, all suppliers have agreed to these principles.

The Company has more than 4,000 antenna positions across Denmark. All antennas are built in accordance with current regulations and building permits, ensuring that the impact on the external environment is limited and within laws and guidelines.

It is the goal of the Company that the underrepresented gender in the Board of Directors should be represented by at least 1 of 6 persons by the end of 2018. The goal has not yet been fulfilled. The Board of Directors is elected by the owners based on qualifications, and both genders are considered equal.

Financial statements 1 January – 31 December

Accounting policies

The annual report of TT-Netværket P/S for 2015 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortised cost, applying a constant yield to maturity. Amortised cost is the original cost less any principal repayments and plus/minus the cumulative amortisation of the difference between cost and nominal value.

Recognition and measurement take into account gains, losses and risks occurring prior to the annual report that evidence affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, costs incurred for this year's earnings are recognised, including depreciation, amortisation, impairment losses and reversals due to changes in accounting estimates of amounts previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January – 31 December

Accounting policies

Income statement

Revenue

Revenue comprises the value of services provided less value added tax and is recognised in the income statement provided that all the risks and rewards have been transferred to the buyer.

Other external expenses

Other external expenses include expenses relating to site rent, administration, office premises, etc.

Staff costs

Staff costs include wages and salaries, including holiday pay, pensions and other social security costs, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Intangible assets comprise acquired rights, including mobile licences and software licences.

Licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the licence period; however, not exceeding 20 years.

Gains and losses on the disposal of licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as amortisation and impairment losses.

Property, plant and equipment

Land, plant and machinery are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Financial statements 1 January – 31 December

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost includes retirement obligation if it meets the conditions for recognition of provisions.

For property, plant and equipment under construction, cost includes direct labour, materials, purchased parts and labour work provided by a sub-supplier.

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

Plant and machinery	5-30 years

Depreciation is recognised in the income statement as depreciation and impairment losses.

If the depreciation period or the residual value is changed, the effect on depreciation going forward is considered a change in accounting estimates.

Gains and losses on the disposal of property, plant and equipment are determined 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 depreciation and impairment losses.

Impairment of non-current assets

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

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 expected cash flows from the use of the asset or the group of assets after the end of the useful life.

Other assets

Other assets comprise deposits and are measured at cost.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

Provisions

Provisions include asset retirement obligations. Provisions are recognised when, at the balance sheet date, the Company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

When the Company is obligated to dismantle an asset or restore the site on which the asset is used, a liability equal to the present value of the expected future costs is recognised. After initial recognition of the present value, the accretion expense is recognised as a financial expense in the income statement.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Financial statements 1 January – 31 December

Accounting policies

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Significant accounting estimates, assumptions and uncertainties

Many items cannot be reliably measured but only estimated. Such estimates are based on the latest information available at the time of the financial reporting. It may be necessary to change previous estimates due to changes in the factors underlying the estimates or due to new information, more experience or subsequent events.

In connection with the practical application of the accounting policies, Management makes significant judgements significantly affecting the financial statements within the following areas.

Asset retirement obligation

In most cases, the asset retirement will take place in the distant future, and therefore, it will lead to significant uncertainty as to whether the liability will actually be settled. The actual gross settlement costs that the Company incurs may differ materially from the estimated costs, for example because of price negotiations or agreements that reduce or relieve the Company from its obligations. The timing of the settlement process may also differ significantly from the estimated timing.

Estimated useful lives

The expected useful lives of property, plant and equipment and intangible assets are reviewed annually to ensure consistency with the expected useful lives of the assets based on current facts and circumstances.

Financial statements 1 January – 31 December

Accounting policies

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss x 100}}{\text{Average invested capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2015	2014
Revenue	1	870,151	966,906
Other operating income		1,280	0
Other external expenses		-395,502	-592,304
Gross profit		475,929	374,602
Staff costs	2	-14,050	-12,135
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	3	-338,286	-362,245
Ordinary operating profit		123,593	222
Financial income	4	0	125
Financial expenses	5	-40,445	-44,052
Profit/loss for the year		83,148	-43,705

Proposed profit appropriation/distribution of loss			
Retained earnings		83,148	-43,705
		83,148	-43,705

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets	6		
Acquired licences and comparable rights		97,889	103,824
		97,889	103,824
Property, plant and equipment	7		
Land		473	461
Plant and machinery		2,423,073	2,444,542
Plant and machinery under construction		35,870	25,725
		2,459,416	2,470,728
Other assets	8		
Deposits		40,493	44,749
		40,493	44,749
Total non-current assets		2,597,798	2,619,301
Current assets			
Receivables			
Receivables from group entities		140,654	188,251
Other receivables		26,139	26,809
Prepayments		12,542	14,487
		179,335	229,547
Cash at bank and in hand		134,637	90,513
Total current assets		313,972	320,060
TOTAL ASSETS		2,911,770	2,939,361

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2015	2014
EQUITY AND LIABILTIES			
Equity			
Share capital	9	100,000	100,000
Share premium		700,000	700,000
Retained earnings		150,471	67,323
Total equity		950,471	867,323
Provisions			
Asset retirement obligation	10	379,234	416,166
Other provisions		65,870	115,059
Total provisions		445,104	531,225
Liabilities other than provisions			
Non-current liabilities other than provisions	11		
Liability to the Danish Business Authority related to mobile licences		42,946	53,380
Loan from group entities		1,200,000	1,200,000
		1,242,946	1,253,380
Current liabilities other than provisions			
Current portion of non-current liabilities other than provisions	11	11,146	11,146
Trade payables		45,901	62,842
Payables to group entities		191,610	170,072
Other payables		24,592	42,824
Deferred income		0	549
		273,249	287,433
Total liabilities other than provisions		1,516,195	1,540,813
TOTAL EQUITY AND LIABILITIES		2,911,770	2,939,361

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2015	100,000	700,000	67,323	867,323
Transferred; see profit appropriation/distribution of loss	0	0	83,148	83,148
Equity at 31 December 2015	100,000	700,000	150,471	950,471

Financial statements 1 January – 31 December

Cash flow statement

DKK'000	Note	2015	2014
Profit/loss for the year		83,148	-43,705
Depreciation and amortisation		338,286	362,245
Changes in provisions		-99,159	115,115
Other non-cash operating items, net		944	-23
Financial income		0	-125
Financial expenses		40,445	44,052
Cash flows from operating activities before changes in working capital		363,664	477,559
Changes in working capital	15	36,027	-17,489
Cash flows from operating activities		399,691	460,070
Interest received		0	125
Interest paid		-26,695	-30,422
Cash flows from operating activities		372,996	429,773
Acquisition of intangible assets		-109	-174
Acquisition of property, plant and equipment		-321,783	-433,265
Deposits		4,256	3,377
Cash flows from investing activities		-317,636	-430,062
Repayment of long-term debt		-11,146	-11,146
Cash flows from financing activities		-11,146	-11,146
Net cash flows for the year		44,214	-11,435
Cash and cash equivalents at 1 January		90,423	101,858
Cash and cash equivalents at 31 December		134,637	90,423

The cash flow statement cannot be directly derived from the other components of the financial statements.

Financial statements 1 January – 31 December

Notes

1 **Revenue**

The Company's services related to revenue for the year of DKK 870,151 thousand (2014: DKK 966,906 thousand) have only been provided in Denmark to the owners of the Company.

	DKK'000	2015	2014
2	**Staff costs**		
	Wages and salaries	11,926	9,863
	Pensions	991	936
	Social security costs	119	118
	Other staff costs	1,014	1,218
		14,050	12,135
	Average number of employees	17	16

Pursuant to the exemption clause for reporting class C entities under the Danish Financial Statements Act, the Company has chosen to omit disclosing executive remuneration as only the Executive Board has received remuneration.

3 **Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses**

Intangible assets	6,044	6,025
Property, plant and equipment	327,676	351,983
Scrapped assets	4,566	4,237
	338,286	362,245

4 **Financial income**

Interest receivable, exchange gains and similar income	0	125

5 **Financial expenses**

Interest payable to group entities	26,348	30,278
Other interest expenses, exchange losses and similar expenses	14,097	13,774
	40,445	44,052

Financial statements 1 January – 31 December

Notes

6 Intangible assets

DKK'000	Acquired licences and comparable rights
Cost at 1 January 2015	113,194
Additions during the year	109
Cost at 31 December 2015	113,303
Impairment losses and amortisation at 1 January 2015	9,370
Amortisation	6,044
Impairment losses and amortisation at 31 December 2015	15,414
Carrying amount at 31 December 2015	97,889

7 Property, plant and equipment

DKK'000	Land	Plant and machinery	Plant and machinery under construction	Total
Cost at 1 January 2015	461	3,056,126	25,725	3,082,312
Additions during the year	12	58,452	263,318	321,782
Transferred	0	253,173	-253,173	0
Disposals during the year	0	64,100	0	64,100
Cost at 31 December 2015	473	3,431,851	35,870	3,468,194
Impairment losses and depreciation at 1 January 2015	0	611,584	0	611,584
Depreciation	0	327,676	0	327,676
Disposals	0	69,518	0	69,518
Impairment losses and depreciation at 31 December 2015	0	1,008,778	0	1,008,778
Carrying amount at 31 December 2015	473	2,423,073	35,870	2,459,416
Depreciated over		5-30 years		

Financial statements 1 January – 31 December

Notes

8 **Other assets**

DKK'000	Deposits
Cost at 1 January 2015	44,749
Net disposals during the year	-4,256
Cost at 31 December 2015	40,493
Carrying amount at 31 December 2015	40,493

9 **Share capital**

The share capital consists of:

DKK'000	2015	2014
100,000 shares of nom. DKK 1 each	100,000	100,000

All shares rank equally.

There have been no changes in the share capital since the formation of the Company on 17 February 2012.

10 **Provisions**

DKK'000	Asset retirement obligation	Other provisions	Total
Provisions at 1 January 2015	416,166	115,059	531,225
Additions and adjustments during the year	27,337	-2,582	24,755
Utilised during the year	-64,269	-46,607	-110,876
Provisions at 31 December 2015	379,234	65,870	445,104

Other provisions relate to provisions for onerous site rental contracts.

Of total provisions, DKK 26 million is expected to fall due within one year.

Financial statements 1 January – 31 December

Notes

11 Non-current liabilities other than provisions

DKK'000	Total liabilities at 1 January 2015	Total liabilities at 31 December 2015	Repayment next year	Non-current portion	Outstanding debt after 5 years
Liability to the Danish Business Authority related to mobile licences	64,526	53,380	11,146	42,946	0
Loan from group entities	1,200,000	1,200,000	0	1,200,000	0
	1,264,526	1,253,380	11,146	1,242,946	0

DKK'000	2015	2014
12 Contractual obligations, contingencies, etc.		
Rent payments concerning a contract that is non-cancellable until 1 September 2017	1,549	2,099
Payments under operating leases regarding cars	464	574
Site rent payments regarding non-cancellable contracts	448,688	450,142
	450,701	452,815
13 Fees paid to auditor appointed at the annual general meeting		
Total fees to KPMG	203	203
Statutory audit	135	135
Assurance engagements	50	50
Other assistance	18	18
	203	203

Financial statements 1 January – 31 December

Notes

14 **Related party disclosures**

TT-Netværket P/S' related parties comprise the following:

- Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92
- TeliaSonera Mobile Holding AB, Sweden
- Komplementarselskabet af 14. juni 2011 A/S, Amager Strandvej 60, 2300 København S, Denmark, CVR no. 34 20 41 78
- Executive Board and Board of Directors.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

- Telenor A/S, Frederikskaj 8, 1780 København V, Denmark, CVR no. 19 43 36 92
- TeliaSonera Mobile Holding AB, Sweden.

DKK'000	2015	2014
15 **Change in working capital**		
Change in receivables	50,212	58,261
Change in trade and other payables	-14,185	-75,750
	36,027	-17,489