

LM WP Holdings A/S

Jupitervej 6

6000 Kolding

CVR no. 34 47 02 35

Annual report for 2015

Adopted at the annual general meeting on 21 April 2016

Peder Toft Nielsen
Chairman

Contents

	Page
Management's Statement and Auditors' Report	
Statement by Management on the annual report	1
Independent auditor's report	2
Management's Review	
Company details	4
Management's review	5
Financial Statements	
Accounting policies	6
Income Statement 1 January - 31 December 2015	9
Balance Sheet at 31 December 2015	10
Notes to the annual report	12

Statement by Management on the annual report

Today, the Executive and Supervisory Boards have discussed and approved the annual report of LM WP Holdings A/S for the financial year 1 January - 31 December 2015.

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 financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Kolding, 31 March 2016

Executive Board

Marc de Jong

Supervisory Board

John Leahy
Chairman

Nick Smith

Søren Høffer

Marc de Jong

Alex Moss

Independent auditor's report

To the Shareholder of LM WP Holdings A/S

Report on the financial statements

We have audited the financial statements of LM WP Holdings A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Statement on management's review

We have read the management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in the management's Review is consistent with the Financial Statements.

Vejle, 31 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no.33 77 12 31

Jens Otto Damgaard
State Authorised Public Accountant

Per Jansen
State Authorised Public Accountant

Company details

LM WP Holdings A/S
Jupitervej 6
DK-6000 Kolding
Website: www.lmwindpower.com

CVR no. 34 47 02 35
Financial year: 1 January - 31 December
Domicile: Kolding

Supervisory Board

John Leahy, Chairman
Nick Smith
Søren Høffer
Marc de Jong
Alex Moss

Executive Board

Marc de Jong

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
7100 Vejle

Consolidated financial statements

The Company is included in the group annual report of LM Wind Power Holding A/S, CVR No 25 94 20 94.

The group annual report of LM Wind Power Holding A/S, CVR No 25 94 20 94. may be obtained at the following address:

LM Wind Power A/S
Jupitervej 6
DK-6000 Kolding

Management's review

Main activity

The Company's main activity is to own shares in LM Group Holding A/S.

The company's ultimate parent company, which compiles the consolidated Financial statement in which the company appears as a subsidiary is LM WP III Holding S.á.r.l. ("LuxCo").

Result for the year

Profit/loss for the year comprises a profit of DKK 397,867 thousand. The result is in line with what the management's expectations for the company was, at the beginning of the year.

Expectations for the coming year

The management expects that the activity levels for the company will remain the same for the coming financial period. The management expects the result for the coming financial period will be in line with what was seen in the result for the current period.

The income statement

LM WP Holding's income statement for 2015 shows a profit of DKK 397,867 thousand

The balance sheet

Fixed assets in investment including shares in subsidiaries in LM Group Holding A/S form main part of the balance sheet. The fixed financial asset is recognized to cost price minus impairment and the amount is DKK 3,855 million.

Equity

The equity is DKK 3,855 million as of 31 December 2015.

Ownership structure

The entire share capital of the company is owned by:

LM Wind Power Holding A/S

Accounting policies

The Annual Report of LM WP Holdings A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The annual report for 2015 is presented in T.DKK.

The accounting policies applied are consistent with those applied last year.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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 measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from 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.

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.

Accounting policies

Consolidated Financial Statements

With reference to section 112 of the Danish Statements Act, no consolidated financial statements are prepared for the sub-group LM WP Holdings A/S as the ultimate Parent Company, LM WP III Holding S.á.r.l. (“LuxCo”), prepares Consolidated Financial Statements for the entire Group.

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 recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 recognised in financial income and expenses in the income statement.

Income statement

Other external costs

Other external costs comprise office expenses etc.

Financial income and expenses

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year.

Accounting policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in accordance to their taxable incomes.

Balance sheet

Investments in subsidiaries

Investments' in subsidiaries are measured at cost. Where the cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Income Statement 1 January - 31 December 2015

	<u>Note</u>	<u>2015</u> DKK 1,000	<u>2014</u> DKK 1,000
Other external costs		-85	-94
Operating profit/loss		-85	-94
Reversal of impairment of investments in subsidiaries		397,939	0
Financial costs	1	-9	-19
Profit/loss before tax		397,845	-113
Tax on profit/loss for the year	2	22	28
Net profit/loss for the year		<u>397,867</u>	<u>-85</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		397,867	-85
		<u>397,867</u>	<u>-85</u>

Balance Sheet at 31 December 2015

	<u>Note</u>	<u>2015</u> DKK 1,000	<u>2014</u> DKK 1,000
Assets			
Investments in subsidiaries	3	<u>3,855,210</u>	<u>3,457,271</u>
Fixed asset investments		<u>3,855,210</u>	<u>3,457,271</u>
Fixed assets		<u>3,855,210</u>	<u>3,457,271</u>
Receivables from group companies		21	0
Corporation tax		<u>50</u>	<u>28</u>
Receivables		<u>71</u>	<u>28</u>
Current assets total		<u>71</u>	<u>28</u>
Assets total		<u><u>3,855,281</u></u>	<u><u>3,457,299</u></u>

Balance sheet at 31 December 2015

	<u>Note</u>	<u>2015</u> DKK 1,000	<u>2014</u> DKK 1,000
Liabilities and equity			
Share capital		47,161	47,161
Retained earnings		<u>3,807,721</u>	<u>3,409,854</u>
Equity total	4	<u>3,854,882</u>	<u>3,457,015</u>
Payables to group companies		312	205
Other payables		<u>87</u>	<u>79</u>
Short-term debt		<u>399</u>	<u>284</u>
Debt total		<u>399</u>	<u>284</u>
Liabilities and equity total		<u>3,855,281</u>	<u>3,457,299</u>
Pledges of rights and guarantees	5		
Related parties and ownership	6		

Notes to the annual report

	2015 <u>DKK 1,000</u>	2014 <u>DKK 1,000</u>
1 Financial costs		
Interest paid to group companies	9	6
Other financial costs	<u>0</u>	<u>13</u>
	<u>9</u>	<u>19</u>
2 Tax on profit/loss for the year		
Current tax for the year	<u>-22</u>	<u>-28</u>
	<u>-22</u>	<u>-28</u>
3 Investments in subsidiaries		
Cost at 1 January	<u>3,855,210</u>	<u>3,855,210</u>
Cost at 31 December	<u>3,855,210</u>	<u>3,855,210</u>
Value adjustment at 1 January	-397,939	-397,939
Value adjustments for the year, net	<u>397,939</u>	<u>0</u>
Value adjustment at 31 December	<u>0</u>	<u>-397,939</u>
Carrying amount at 31 December	<u>3,855,210</u>	<u>3,457,271</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share-capital</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Net profit/loss for the year</u>
LM Group Holding A/S	Kolding	69,965	100%	3,878,639	29,836

Notes to the annual report

4 Equity

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January	47,161	3,409,854	3,457,015
Net profit/loss for the year	<u>0</u>	<u>397,867</u>	<u>397,867</u>
Equity at 31 December	<u>47,161</u>	<u>3,807,721</u>	<u>3,854,882</u>

The share capital consists of 47,161,000 shares of a nominal value of DKK 1. No shares carry any special rights.

5 Pledges of rights and guarantees

To security of the subsidiary loan, the share in LM Group Holding A/S has been pledged with a net book value of DKK 3,457 million.

6 Related parties and ownership

Controlling interest

LM Wind Power Holding A/S
Jupitervej 6
DK-6000 Kolding

There have been no transactions with related parties except from within the group, which have been eliminated in the consolidated accounts for LM Wind Power Holding A/S.

Ownership

According to the Company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

LM Wind Power Holding A/S
Jupitervej 6
DK-6000 Kolding