

# Schneider Electric Danmark A/S

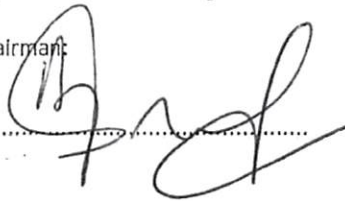
Lautrupvang 1, 2750 Ballerup

CVR no. 70 69 87 14

## Annual report 2015

Approved at the annual general meeting of shareholders on 2 June 2016

Chairman:



A handwritten signature in black ink, appearing to be 'A. J. J.', is written over a horizontal dotted line. The signature is stylized and cursive.

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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 Schneider Electric Danmark A/S for the financial year 1 January - 31 December 2015.

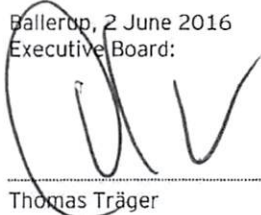
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

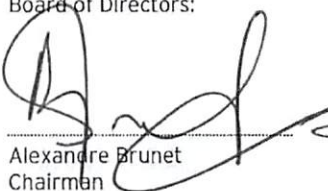
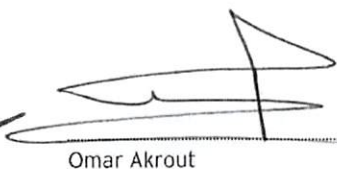
Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Ballerup, 2 June 2016  
Executive Board:

  
.....  
Thomas Träger

Board of Directors:

  
.....  
Alexandre Brunet  
Chairman  
.....  
Omar Akrouf  
.....  
Hanne Taarup Jensen  
.....  
Anita Jensen Otzen  
.....  
Uffe Egelund Jensen

## Independent auditors' report

To the shareholders of Schneider Electric Danmark A/S

### Independent auditors' report on the financial statements

We have audited the financial statements of Schneider Electric Danmark A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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.

### Auditors' 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 regulations. 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 auditors' 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 auditors consider 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 financial position at 31 December 2015 and of the results of its operations 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 other 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, 2 June 2016

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

  
Jan C. Olsen  
state authorised public accountant

  
Bø Leinum  
state authorised public accountant

## Management's review

### Financial highlights

DKK'000	2015	2014	2013	2012	2011
<b>Key figures</b>					
Revenue	1,893,791	1,717,382	1,735,292	1,725,723	1,216,350
Operating profit	209,275	149,285	214,519	246,361	207,479
Net financials	-1,027	-400	-716	7,149	277
Profit/loss for the year	159,967	112,899	161,066	186,067	164,956
<b>Balance sheet</b>					
Total assets	731,022	662,994	727,462	747,018	506,862
Investment in property, plant and equipment	-93,281	-27,715	-18,437	-15,103	-9,911
Equity	271,967	224,899	316,362	357,038	310,937
<b>Financial ratios</b>					
Operating margin	11.1%	8.7%	12.4%	14.3%	17.1%
Return on assets	30.0%	21.5%	29.1%	39.3%	40.9%
Solvency ratio	37.2%	33.9%	43.5%	47.8%	61.3%
Return on equity	64.4%	41.7%	47.8%	55.7%	57.0%
<b>Other</b>					
Average number of employees	806	830	807	801	485

\*The comparative financial ratios for 2011 are not restated regarding merger of Schneider Electric Building A/S and Schneider Electric Danmark A/S, with Schneider Electric Danmark A/S as the continuing company.

## Management's review

### Operating review

#### The Company's business review

Schneider Electric is the global specialist in energy management and automation. We help our customers achieve more with less resources in a more connected, distributed and smart world and where the need for energy will continue to increase. Schneider Electric provides innovative technologies, solutions and services for its customers to achieve the most efficient and sustainable use of their resources, assets, processes and infrastructures.

At Schneider Electric, our mission is to serve our customers by developing innovative products and solutions that simplify the lives of those who use them. We bring together our expertise and solutions to drive new possibilities for efficiency and savings.

We are committed to worldwide improvement in connectivity, sustainability, efficiency, reliability and safety in five primary areas: in our homes, in our cities, in our industries, in our buildings, and in the cloud.

Our intent is to make sure that Life is On for everyone, everywhere and at every moment with our technology. We ensure that energy is on for our customers and that it is:

- ▶ safe: protecting people and assets;
- ▶ reliable: guaranteeing ultra-secure, ultra-pure and uninterrupted power especially for critical applications;
- ▶ efficient: delivering solutions adapted to the specific needs of each market that simplify customers' life and improve their efficiency and productivity;
- ▶ sustainable: helping customers build a sustainable future by using less of their resources and minimizing the impact on the environment; and
- ▶ connected: leveraging new opportunities with the convergence of Operational Technology (OT) and Information Technology (IT).

Schneider Electric Danmark A/S is located in Ballerup in the GreenHouse, a showcase for our latest technologies and solutions notably in terms of Energy efficiency and cost reduction.

The company has approximately 800 employees and is among others responsible for the Lauritz Knudsen brand, which is the oldest supplier of electrical materials to the Danish market. The manufacturing of the Lauritz Knudsen products is primarily taking place in Schneider Electric's highly automated and energy efficient factory in Ringsted, which also manufactures products to the European and Asian markets. Schneider Electric Danmark A/S is owned by Schneider Electric Industries S.A. (France), which is the ultimate parent company in the Group.

#### Financial review

A commercial focus and dedicated investments in our targeted end-user markets, Energy, Industry and Datacenters has brought a significant growth on these businesses. On a top of that we had a good recovery in 2015 on our Building business. As part of the strategy of our global supply chain, some additional lines of products have been transferred from Finland to our Plant in Ringsted where we have extended the overall production capacity. All this has brought our growth to +10% vs 2014, higher than expected.

The Company's gross margin has increased by MDKK 43 due higher revenue.

The Company's ordinary operating profit has increased by MDKK 61, due to higher gross margin and simplification on our sale and administration set up.

The profit for the year has grown by 1,9pt compared to last year, which is in line with the level that was expected in the 2014 Annual Report.

## Management's review

### Operating review

#### *Non-financial matters*

Schneider Electric's ambition is to be the global specialist in energy management. In Denmark this implies that we continue to play a central role in the Danish electrical industry and that we are contributing to the development of the industry and the market in general. We are focusing on a high degree of delivery reliability, high quality products and product functionality and a high degree of customer satisfaction. The Company also strives to be an attractive workplace for skilled and committed employees.

To achieve these objectives the Company highly emphasises building the right competences within the selected business areas, partly through own staff and partly through a comprehensive educational programme with business partners in the industry.

#### Statutory CSR report

In accordance with the Danish Financial Statements Act section 99(a), we refer to our parent company's Sustainable Development Annual Report for a description of the company's engagement in corporate social responsibility, including human rights and climate impacts. See link <http://www2.schneider-electric.com/documents/presentation/en/local/2016/03/2015-annual-report-en.pdf>.

#### Account of the gender composition of management

In line with Danish Financial Statement Act section 99(a), we meet the requirement of Board gender distribution, as Board consists of 3 elected people, of whom one is a woman. Hanne Taarup, our HR director has been appointed as Board Member in 2014.

Thomas Traeger, Management director for Schneider Electric Denmark, has signed the WEP (Woman Empowerment Principles) while the United Nations Women and Global Compact has conferred Jean Pascal Tricoire, the Group CEO, the 2015 CEO Leadership Award in recognition of his demonstrated commitment to and implementation of policies that advance and empower women in the workplace, marketplace and community.

At Management level the country MD has set a goal to ensure more women in the management team level. Target for 2016 is set to 33%, during 2015 the plan was put in place to drive toward the target and we are on track to reach the target for 2016.

In addition there are 2 major initiatives - one is to ensure female candidates in all recruitments. Target is 40% of new hires to be women, in 2015 we reached 33% and we are continuing to follow the plan. Second we initiated a Diversity & Inclusion Think Tank to be launched in 2016.

#### Post balance sheet events

No events have occurred after the financial year-end, which could significantly affect the Company's financial position.

#### Outlook

We will continue our growth plan initiatives and we will have several new products launches in 2016, therefore, we expect 2016 business to grow at least at the level of GDP increase.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK'000	2015	2014
2	Revenue	1,893,791	1,717,382
3	Production costs	-1,273,951	-1,140,237
	Gross profit	619,840	577,145
3	Distribution costs	-199,698	-215,741
3	Administrative expenses	-202,271	-204,851
	Ordinary operating profit	217,871	156,553
	Other operating income	243	34
	Other operating expenses	-1,273	0
	Research and development costs	-7,566	-7,302
	Operating profit	209,275	149,285
4	Financial income	4,748	1,646
5	Financial expenses	-5,775	-2,046
	Profit before tax	208,248	148,885
6	Tax for the year	-48,281	-35,986
	Profit for the year	159,967	112,899
	Proposed profit appropriation		
	Proposed dividend recognised under equity	159,967	112,899
		159,967	112,899



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	<b>ASSETS</b>		
	Non-current assets		
7	Intangible assets		
	Completed development projects	0	100
	Acquired intangible assets	128	753
		<u>128</u>	<u>853</u>
8	Property, plant and equipment		
	Land and buildings	43,316	43,977
	Plant and machinery	75,969	46,738
	Other fixtures and fittings, tools and equipment	15,532	4,511
	Leasehold improvements	10,801	0
	Property, plant and equipment in progress	48,601	35,886
		<u>194,219</u>	<u>131,112</u>
9	Investments		
	Other securities and investments	3,383	3,383
		<u>3,383</u>	<u>3,383</u>
	<b>Total non-current assets</b>	<u>197,730</u>	<u>135,348</u>
	<b>Current assets</b>		
	Inventories		
	Raw materials and consumables	18,227	13,550
	Work in progress	11,823	7,005
	Finished goods and goods for resale	52,716	49,840
		<u>82,766</u>	<u>70,395</u>
	Receivables		
	Trade receivables	273,178	260,837
10	Work in progress for third parties	44,764	17,016
	Receivables from group entities	57,201	117,177
	Income taxes receivable	19,338	128
	Other receivables	42,218	46,328
	Deferred income	289	246
		<u>436,988</u>	<u>441,732</u>
	Cash	13,538	15,519
	<b>Total current assets</b>	<u>533,292</u>	<u>527,646</u>
	<b>TOTAL ASSETS</b>	<u>731,022</u>	<u>662,994</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
11	Share capital	112,000	112,000
	Dividend proposed for the year	159,967	112,899
	<b>Total equity</b>	<b>271,967</b>	<b>224,899</b>
	Provisions		
	Deferred tax	12,899	11,282
	Other provisions	16,727	17,234
12	<b>Total provisions</b>	<b>29,626</b>	<b>28,516</b>
	Liabilities other than provisions		
	Current liabilities other than provisions		
10	Prepayments on work in progress	41,997	35,540
	Trade payables	62,268	66,075
	Payables to group entities	120,274	83,983
14	Other payables	169,638	193,445
13	Deferred income	35,252	30,536
		<b>429,429</b>	<b>409,579</b>
	<b>Total liabilities other than provisions</b>	<b>429,429</b>	<b>409,579</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>731,022</b>	<b>662,994</b>

- 1 Accounting policies
- 15 Collateral
- 16 Contractual obligations and contingencies, etc.
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Dividend proposed for the year	Total
Equity at 1 January 2014	112,000	204,362	316,362
Profit/loss for the year	0	112,899	112,899
Dividend distributed	0	-204,362	-204,362
Equity at 1 January 2015	112,000	112,899	224,899
Profit/loss for the year	0	159,967	159,967
Dividend distributed	0	-112,899	-112,899
Equity at 31 December 2015	112,000	159,967	271,967

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Schneider Electric Danmark A/S for 2015 has been prepared in accordance with the provisions applying to large reporting class C enterprises under the Danish Financial Statements Act.

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

#### Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the parent company, Schneider Electric Industries SAS

#### 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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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.

#### Income statement

##### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be reliably measured and payment is expected to be received.

Income from the rendering of services, is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (production method).

Income from construction contracts where the purchaser has significantly influenced the construction of the asset is recognised as revenue as the production activities are carried on, implying that revenue corresponds to the market value of the contract work performed (production method). This method is used where the total income and expenses and the degree of completion of the contract can be made up reliably.

Where the income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

##### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Production costs

Production costs include expenses incurred to generate the year's revenue. The item includes direct and indirect expenses relating to raw materials, consumables, labour, rent and leasing as well as depreciation of productive equipment.

Provisions for losses on construction contracts are recognised in productions costs

##### Distribution costs

Distribution costs include expenses relating to sale and distribution in the year, including expenses relating to sales staff, advertising, exhibitions and amortisation/depreciation of assets that are related to sale and distribution of the company's products.

##### Administrative expenses

Administrative expenses include expenses incurred in the year for purposes of managing and administering the company, including expenses relating to administrative staff, management, office premises/expenses as well as amortisation/depreciation of assets used for administrative purposes.

##### Development costs

The item includes research costs, development costs not satisfying the criteria for capitalisation and amortisation/depreciation.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year - including changes resulting from changes in the tax rate. 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.

The parent and all Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method). The parent acts as a management company for all the entities encompassed by the joint taxation arrangement and is thus responsible for ensuring that tax charges, etc. are paid to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

An initial recognition, intangible assets are measured at cost.

Development projects are capitalised if they are clearly defined and identifiable and the following recognition criteria can be satisfied:

- The technical feasibility of completing the project can be demonstrated,
- plans are to produce and market the product or to use the product or the process,
- sufficient technical and financial resources to complete and use or sell the project are available,
- it is probable that the project will generate future economic benefits and that a potential, future market or possibility of internal use in the entity exists,
- the cost can be made up reliably.

Development costs not satisfying the above criteria are expensed in the income statement as incurred.

The cost of development projects is measured at direct costs incurred as well as a portion of costs indirectly attributable to the individual development projects.

Software are measured at cost less accumulated amortization and impairment losses. Software are amortized over 5 years.

Gains and losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, no scrapvalue is expected. Land is not depreciated. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The amortisation periods are:

Buildings - 25 years

Buildings installations - 10 years

Plant and machinery - 8 years

Tools - 4 years

Fixtures and fittings, tools and equipment - 3-8 years

Leasehold improvements - 10 years

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

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other securities and investments

Other securities and investments are measured at cost.

##### Impairment of non-current assets

Every year, intangible assets and property, plant and equipment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Work in progress for third parties

Ongoing service supplies and work in progress for third parties are measured at the market value of the work performed less advances received. The market value is calculated on the basis of the percentage of completion at the balance sheet date and the total expected income from the relevant contract. The percentage of completion is made up based on costs incurred relative to the expected, total expenses on each individual work in progress.

Where the outcome of contract work in progress cannot be made up reliably, the market value is measured at the costs incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under 'Provisions' and is expensed in the income statement.

The value of each contract in progress less prepayments is classified as assets when the market value exceeds prepayments and as liabilities when prepayments exceeds the market value.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash at hand and in bank

Cash at hand and in bank comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Equity

###### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

##### Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured at net realisable value and recognised based on past experience.

Provisions are measured at net realisable value.

##### Corporation 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.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and taxation rate applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

##### Other payables

Other payables are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Segment information

Information is provided on business segments and geographical markets. Segment information is based on the Company's accounting policies, risks and internal financial management.

##### Financial ratios

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

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$	
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$	
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$	
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$	
DKK'000	<u>2015</u>	<u>2014</u>
<b>2 Revenue</b>		
Business segmentation of revenue:		
Sale of goods	1,373,491	1,322,242
Sale of projects	520,300	395,140
	<u>1,893,791</u>	<u>1,717,382</u>
Geographical segmentation of revenue:		
Denmark	1,638,216	1,545,216
International markets	255,575	172,166
	<u>1,893,791</u>	<u>1,717,382</u>
DKK'000	<u>2015</u>	<u>2014</u>
<b>3 Staff costs</b>		
Wages/salaries	484,264	456,592
Pensions	17,046	18,501
Other social security costs	3,810	4,723
	<u>505,120</u>	<u>479,816</u>
Average number of full-time employees	<u>806</u>	<u>830</u>

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK'000	2015	2014	
4	Financial income			
	Interest receivable, group entities	2	0	
	Exchange gain	4,713	1,542	
	Other financial income	33	104	
		<u>4,748</u>	<u>1,646</u>	
	DKK'000	2015	2014	
5	Financial expenses			
	Interest expenses, group entities	285	28	
	Exchange losses	5,130	1,942	
	Other financial expenses	360	76	
		<u>5,775</u>	<u>2,046</u>	
	DKK'000	2015	2014	
6	Tax for the year			
	Estimated tax charge for the year	42,279	53,737	
	Deferred tax adjustments in the year	7,948	-15,220	
	Tax adjustments, prior years	-1,946	-2,531	
		<u>48,281</u>	<u>35,986</u>	
7	Intangible assets			
	DKK'000	Completed development projects	Acquired intangible assets	Total
	Cost at 1 January 2015	7,805	17,308	25,113
	Cost at 31 December 2015	7,805	17,308	25,113
	Impairment losses and amortisation at 1 January 2015	7,705	16,555	24,260
	Amortisation/depreciation in the year	100	625	725
	Impairment losses and amortisation at 31 December 2015	7,805	17,180	24,985
	Carrying amount at 31 December 2015	0	128	128

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
Cost at 1 January 2015	128,405	493,512	47,322	0	35,886	705,125
Additions in the year	1,990	39,366	574	11,744	39,607	93,281
Disposals in the year	-1,876	-12,061	-9,417	0	0	-23,354
Transfer from other accounts	2,350	9,001	15,541	0	-26,892	0
Cost at 31 December 2015	130,869	529,818	54,020	11,744	48,601	775,052
Impairment losses and depreciation at 1 January 2015	84,428	446,774	42,811	0	0	574,013
Amortisation/depreciation in the year	4,558	19,057	3,864	943	0	28,422
Reversal of amortisation/depreciation and impairment of disposals	-1,433	-11,982	-8,187	0	0	-21,602
Impairment losses and depreciation at 31 December 2015	87,553	453,849	38,488	943	0	580,833
Carrying amount at 31 December 2015	43,316	75,969	15,532	10,801	48,601	194,219

#### 9 Investments

DKK'000	Other securities and investments
Cost at 1 January 2015	3,383
Cost at 31 December 2015	3,383
Carrying amount at 31 December 2015	3,383

	Legal form	Domicile
Other Investments in limited partnerships or partnerships		
Schneider India	Limited	India
Nordfyns Erhvervselskab	A/S	Denmark

DKK'000	2015	2014
10 Work in progress for third parties		
On-account invoicing, work in progress	2,767	-18,524
	2,767	-18,524
recognised as follows:		
Work in progress for third parties (assets)	44,764	17,016
Work in progress for third parties (liabilities)	-41,997	-35,540
	2,767	-18,524

Selling price of contract work in progress totals DKK 418.180 thousand (2014 DKK 308.526 thousand) and invoicing on account total DKK 415.413 thousand (2014 DKK 327.051 thousand).

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK'000	2015	2014
<b>11 Share capital</b>		
The share capital consists of the following:		
5 shares of DKK 22,400,000.00 each	112,000	112,000
	<u>112,000</u>	<u>112,000</u>

Analysis of changes in the share capital over the past 5 years:

DKK'000	2015	2014	2013	2012	2011
Opening balance	112,000	112,000	110,000	108,230	108,230
Capital increase	0	0	2,000	1,770	0
	<u>112,000</u>	<u>112,000</u>	<u>112,000</u>	<u>110,000</u>	<u>108,230</u>

### 12 Provisions

The provision for deferred tax primarily relates to timing differences in respect of intangible assets, liabilities and property, plant and equipment.

Other provisions comprise provisions for warranty commitments, totalling DKK 14.776 thousand (2014 DKK 14.902 thousand) and restructuring provisions of DKK 2.850 thousand (2014 DKK 2.332 thousand). Warranty provisions relate to expected warranty expenses in accordance with usual guarantee commitments applicable to the sale of goods. The restructuring provision will be paid out in the coming financial year.

### 13 Deferred income

Deferred income comprises payments relating to the sale of services, which will not be recognised as income until in the subsequent financial year once the recognition criteria are satisfied.

DKK'000	2015	2014
<b>14 Other payables</b>		
VAT and other indirect taxes	36,606	24,409
Wages/salaries, salary taxes, social security contributions, etc.	82,712	85,628
Other accrued expenses	50,320	83,408
	<u>169,638</u>	<u>193,445</u>

### 15 Collateral

The Company has not pledge any assets or other as security for loans at 31/12 2015.

### 16 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

The Company is jointly taxed with its parent, Schneider Nordic Baltic A/S, which acts as management company, and is jointly and severally with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### Other financial obligations

Other rent and lease liabilities:

DKK'000	2015	2014
Rent and lease liabilities	161,746	180,162

The Company have issued performance bonds for DKK 118 million (2014 DKK 73 million). The company has issued a guarantee for a loan to a group company DKK 1.6 million (2014 DKK 1.6 million). The company have issued other guarantees amounting to DKK 12 million (2014 DKK 9 million).

#### 17 Related parties

Schneider Electric Danmark A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Schneider Nordic Baltic A/S	Lautrupvang 1A, Ballerup	Share capital

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Schneider Electric Industries SAS	France	<a href="http://www2.schneider-electric.com/sites/corporate/en/finance/presentations/annual-reports.page">http://www2.schneider-electric.com/sites/corporate/en/finance/presentations/annual-reports.page</a>

#### 18 Fee to the auditors appointed by the Company in general meeting

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statements Act. The fee is specified in the consolidated financial statements for Schneider Electric Industries S.A.