

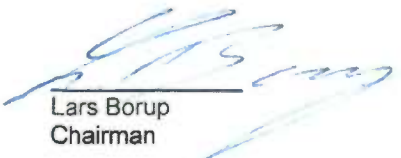
Annual report 2015/2016  
Siemens Wind Power A/S

# Siemens Wind Power A/S

Borupvej 16  
7330 Brande

Annual report 2015/2016  
CVR NR. 76 48 62 12

Adopted at the annual general meeting  
On 16 January 2017



Lars Borup  
Chairman

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## Statements

### Statement by management on the annual report

Today, management has discussed and approved the annual report for the financial year 1 October 2015 – 30 September 2016 for Siemens Wind Power A/S.

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


We consider the accounting policies applied adequate. Against this background, it is our opinion that the annual report gives a true and fair view of the company's assets and liabilities and financial position at 30 September 2016 and of the results of its operations and cash flows for the financial year 1 October 2015 – 30 September 2016.

In our opinion the 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.

Brande, 16 January 2017

Executive board:

  
Thomas Richterich

  
Gerlinde Sturm

Supervisory board:

  
Jukka Pekka Pertola  
(Chairman)

  
Torben Jensen

  
Lars Pedersen Bak

  
Markus Michael Tacke

  
Andrew Douglas Hall

## Statements

### Independent auditor's reports

#### To the shareholder of Siemens Wind Power A/S

We have audited the financial statements of Siemens Wind Power A/S for the financial year 1 October 2015 – 30 September 2016, which comprise a summary of significant 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 and basis of opinion

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 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 30 September 2016 and of the results of its operations and cash flows for the financial year 1 October – 30 September 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.

Aarhus, 16 January 2017

Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Steen Skorstengaard  
State authorised public accountant

  
Henrik Andersen  
State authorised public accountant

## Management's review

## Company details

Siemens Wind Power A/S  
Borupvej 16  
DK - 7330 Brande

CVR-no.:	76 48 62 12
Incorporated:	1993
Domicile:	Brande
Phone:	+45 99 42 22 22
Fax:	+45 99 99 22 22
Web:	<a href="http://www.siemens.com/wind">www.siemens.com/wind</a>
E-mail:	<a href="mailto:support.energy@siemens.com">support.energy@siemens.com</a>
Financial year:	1 October – 30 September

### Supervisory board

Jukka Pekka Pertola, chairman  
Lars Pedersen Bak  
Andrew Douglas Hall  
Torben Jensen  
Markus Michael Tacke

### Executive board

Thomas Richterich, CEO  
Gerlinde Sturm, CFO

### Auditors

Ernst & Young P/S  
Værkmestergade 25  
8000 Aarhus C

Steen Skorstengaard  
Henrik Andersen

### General meeting

The annual general meeting is held on 16 January 2017.

## Management's review

## Financial highlights

DKK Mio	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
<b>Financial highlights</b>					
Revenue	27.915,2	21.507,9	22.827,0	25.298,6	21.245,8
Gross profit	1.645,0	-673,1	-1.386,7	2.864,2	1.400,3
Operating profit	959,6	-1.374,0	-2.094,4	2.258,4	840,9
Net financials	69,9	32,4	-92,3	-76,0	-129,8
Pre-tax profit	938,2	-1.286,5	-2.077,1	2.167,3	711,0
<b>Net profit for the year</b>	<b>710,9</b>	<b>-972,6</b>	<b>-1.535,1</b>	<b>1.638,9</b>	<b>544,8</b>
Balance sheet total	18.255,0	15.668,9	<b>13.651,4</b>	16.130,5	<b>13.606,9</b>
<b>Equity</b>	<b>613,4</b>	<b>-342,0</b>	<b>596,3</b>	<b>3.799,5</b>	<b>2.708,0</b>
Cash flow from operating activities	999,0	2.752,4	3.153,9	401,8	1.898,5
Cash flow to investing activities	163,8	-642,4	-1.138,2	-1.037,6	-1.112,7
Hereof invested in tangible assets	-828,7	-622,7	-1.023,7	-860,9	-927,4
Cash flow from financing activities	0,0	0,0	-1.638,0	-544,0	-2.209,6
<b>Net cash flow for the year</b>	<b>1.162,8</b>	<b>2.110,0</b>	<b>377,7</b>	<b>-1.179,8</b>	<b>-1.423,8</b>
<b>Key figures (%)</b>					
EBIT margin	3,4	-6,4	-9,2	8,9	4,0
Return on assets	5,7	-9,4	-14,1	15,2	5,9
Gross margin	5,9	-3,1	-6,1	11,3	6,6
Equity ratio (Solvency)	3,4	-2,2	4,4	23,6	19,9
Return on equity	523,9	-764,9	-69,8	50,4	15,3
<b>Average number of full-time employees</b>	<b>7.002</b>	<b>6.436</b>	<b>5.872</b>	<b>5.302</b>	<b>5.184</b>

The financial ratios are calculated according to The CFA Society Denmark' "Recommendations & Ratios, 2015"

EBIT margin	$\frac{\text{profit/loss before net financials} \times 100}{\text{Net Revenue}}$	Return on assets	$\frac{\text{Profit/loss before net financials} \times 100}{\text{Average, total assets}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Net Revenue}}$	Equity Ratio (solvency)	$\frac{\text{Equity at year end} \times 100}{\text{equity and liabilities at year end}}$
Return on equity	$\frac{\text{Net profit/loss for the year} \times 100}{\text{Average equity in the year}}$		
Operating assets	Operating assets consist of total assets minus cash other interest bearing assets (incl. shares) and equity investments in associates		



## Management's review

### Review

#### Business activities

The company's main activity is the production, sale and installation of wind turbines, wind farms and subsequent maintenance of wind turbines. The company has been a frontrunner in the development of the modern wind turbine industry and has more than 30 years of experience within development, design, production, sale and maintenance of wind turbines.

The annual report of Siemens Wind Power A/S covers only the activities of the Danish company. Activities in subsidiaries and other Siemens group entities in the wind turbine industry (including production and installations of wind turbines outside Denmark) are not covered by this annual report. Thus, the annual report does not give the full picture of the Siemens group's activities in the wind turbine industry.

The company's headquarter and nacelle plant is located in Brande. Product development, quality and service management are also carried out from this location.

The production and development of wind turbine blades is carried out in Aalborg and Engesvang, and the hub production is placed in Ølgod.

The company mainly sells MW class wind turbines for both onshore and offshore locations, primarily in EMEA (Europe, the Middle East & Africa) and North America. The sale is primarily made through other entities in the Siemens group.

The company sold the 49% shareholding of A2SEA A/S during the fiscal year therefore these activities are no longer part of the business activities.

#### Financial review

The company realised revenue of DKK 27.915,2 million in the financial year 2015/2016, equal to an increase of 29,8% compared to 2014/2015. The revenue for the financial year is as expected.

The profit for the year came at DKK 710,9 million. The profit was expected to be higher than 2014/2015, and is considered satisfactory. The company's pre-tax profit margin is 3,4%, which is in line with the expectations stated in the annual report 2014/2015. Improved productivity in production and installation and increased capacity utilizations are the main drivers behind the improved pre-tax profit margin compared to financial year 2014/2015.

The balance sheet total has increased by DKK 2.586,1 million to DKK 18.255,0 million. This trend is primarily due to increased funds being tied up in other receivables, projects in progress and receivables from group entities, and a decrease of inventories and investments in associates.

Cash flow from operating activities totals DKK 999,0 million against DKK 2.752,4 million last year, which is mainly due to decreased funds being tied up in working capital and adjustment in other provisions. However, this is partly cancelled out by a higher operating profit. Cash flow from investing activities add up to a gain of DKK 163,8 million, due to the disposal of investments in associates. The company's investments are primarily due to new additions in equipment and special tools for production, test facilities and logistics.

## Management's review

### Research and development activities

All development activities are carried out within the company and in cooperation with a number of sub-suppliers. Development activities both include improvements of and changes to existing wind turbines and development of new and larger wind turbines.

### Permanent establishment

The company has permanent establishments in both China and South Africa.

### Post balance sheet events

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

### Outlook

In financial year 2016/17 it is expected that the Wind Power activities within Siemens will be merged with Spanish company Gamesa thereby creating a leading supplier of wind technology worldwide.

The business environment will still be complex in financial year 2016/2017, among other things due to geopolitical tensions. We expect revenue to decrease slightly compared to 2015/2016 based on a substantial order-backlog, primarily for onshore and offshore projects in EMEA.

Gross margin will be under pressure in 2016/2017 but the company still expects a pre-tax profit margin of 1-3% in 2016/2017.



## Management's review

### Special risks

#### **General risks**

The company is exposed to the market risks and operational risks which are usual for the business, as well as to risks associated with the company's warranty commitments. It is the opinion of management that the provisions made are sufficient to cover the company's warranty commitments.

#### **Exchange rate risks**

The company's foreign currency risk exposure is mainly hedged by offsetting payments received against expenses in the same currency, and by the use of derivative financial instruments. Currency risks are mainly hedged via forward exchange contracts in order to reduce the impact of exchange rate fluctuations.

#### **Interest rate risks**

The company's interest-bearing debt includes periodic drawings on the operating credit facilities and represents only a minor part of the balance sheet total. Thus, the company's income statement and balance sheet are not affected materially by interest rate fluctuations.

#### **Credit risks**

Credit risks in connection with the sale of wind turbines are hedged via prepayments, bank guarantees, letters of credit, etc. The company is not exposed to substantial risks relating to one particular customer or business partner. The main part of the company's revenue is related to activities with other Siemens group entities.

## Management's review

### Corporate Social Responsibility (CSR)

#### Employees

One of the company's key assets is its skilled, creative and committed employees. Consequently, the company has a continued focus on activities supporting employee skills and commitment, and prioritises improving employees' health, job satisfaction, professional and personal development.

Employee commitment and satisfaction is gauged every second year. The latest survey came out with a high rating of employee engagement score of 83.

#### Health

Job satisfaction and health are top priorities in Siemens. This is e.g. demonstrated in the canteens, which are committed to make healthy food. In addition, all employees have access to free fruit.

All employees are covered by a mandatory insurance program in case of critical illness as well as a general health insurance program.

Furthermore, all salaried employees are covered by schemes under which they can be treated for work-related muscle and joint injury by a chiropractor, physiotherapist, zonetherapist or masseur. They may also book a general health check.

#### Working environment

Siemens targets high standards for the company's safety and health efforts in order to facilitate an attractive working life and ensure quality and efficiency in the design of solutions.

Siemens targets to reduce the number of work accidents and disease cases to a realistic minimum – beyond current workplace requirements. Siemens encourages its cooperation partners to share this ambition and works with both customers and suppliers to implement ongoing improvements.

Safety and health are an integral part of the business and day-to-day operations. Siemens works to ensure that all employees are allowed to work in a safe environment by providing safe processes, high educational standards and a working environment organisation that matches the company's objective.

#### Diversity

The Siemens Group promotes diversity in all of its locations worldwide. Diversity is considered an invaluable source of talent, creativity and experience. Gender diversity is a key component of Siemens Principles for Promoting and Managing Diversity. Siemens strives to integrate women at all levels, including top management.

The supervisory board of Siemens Wind Power A/S has three members elected by the shareholder, of which all are male, and executives from within the Siemens Group.

It is the ambition of the supervisory board to increase the number of women in managerial positions within Siemens Wind Power A/S, including the supervisory board. Since board members traditionally are chosen from among executives, it is imperative that the number of women in managerial positions is increased which will lead to more women executives and thus eligibility for board membership.

## Management's review

### Diversity (continued)

For Siemens Wind Power A/S the shorter term target is for at least 20 % of the managerial positions to be held by women. Currently 15% of the managerial positions are held by women.

To meet the target, the following initiatives were taken, and they still apply:

- Preparation of individual development plans for female employees with identified leadership potential
- Focus on selecting women for Siemens' talent programmes with a view to supporting women's career development
- Assignment of mentors to women participants in talent programmes

In spite of the above initiatives, the 20% goal has not yet been reached. One reason being that the percentage of women is very low in those parts of the engineering profession in which Siemens is operating.

The board has accordingly decided that the shorter term target for composition of the board will be for at least 25 % of the board members elected by the shareholder to be women. Since the board currently consist of three shareholder elected members, it is the target that one of these positions should be held by a woman before the end of 2017. The target date has been set, taking into consideration that no changes in the composition of the supervisory board are planned for the near future.

## Management's review

### Environment

The Siemens group has defined sustainability as the fundamental principle underlying its strategy, and all actions are driven by a desire to ensure economic, environmental and social progress in the communities in which Siemens is operating. The company follows the group's CSR strategy and policies.

The company has defined an overall strategy for work related to environmental issues. The purpose is to reduce the environmental impact of the company's activities.

In this context, an environmental policy including objectives has been prepared as a management tool in the area of environment. This policy focuses on environmentally compatible operational procedures and is a natural part of the company's objectives with respect to product quality and occupational health and safety.

Our environmental impacts are controlled via an integrated management system certified according to ISO 9001, ISO 14001 and OHSAS 18001 (Environment, health and safety). All Danish locations as well as construction projects are working under these certifications and according to our EHS policy (link to DOC 17.07) where we commit ourselves to continuously improve the environmental footprint of our business and our products.

Our environmental work is divided in 2 main categories:

#### **Product Related Environmental Protection**

The environmental footprint of our wind turbines is documented in environmental product declarations for each of our turbine platforms.

These declarations are based on full scale life cycle analysis according to ISO 14040 and were announced in November 2014. The energy payback time is 4.5 – 5.5 months for Onshore platforms and 9.5 – 10.5 months for Offshore platforms.

Another significant aspect is the control of declarable substances in our products which we actively control via specifications set to our suppliers and an early warning system to be on top of regulations that may affect us in future.

#### **Industrial Environmental Protection**

One of our main environmental aspects is our energy consumption. We continuously monitor energy consumption from all Danish facilities as well as the related CO<sub>2</sub>-emission. The actual yearly energy consumption has increased over the last 3 years, however we have managed to reduce the related CO<sub>2</sub>-emission from our energy consumption mainly via the purchase of certificates ensuring that electricity and natural gas is translated to renewable energy sources.

Further we are setting targets on achieving energy savings. Our updated 3-year target was to save 9.340 normalized MWh of energy before end of FY16. End of FY16 we have saved in total 26.743 normalized MWh. These savings are achieved via concrete energy saving projects from Danish locations and arise from a variety of implemented projects like optimized ventilation systems, change of lighting sources to LED lights and installation of heat curtains in gates.

## Management's review

### Compliance

Compliance with applicable laws and regulations and ethical responsibility are key elements of Siemens' business values and therefore, an integral part of the company's business processes.

All employees commit to observe these rules by signing the Siemens Business Conduct Guidelines, and all employees must complete a training program concerning applicable rules.

To help managers and employees comply with Siemens' rules, the company has implemented a Compliance System, which – based on management's responsibilities – includes both preventive activities and internal controls to help ensure that applicable law and internal rules are observed.

The knowledge of these rules is maintained through current online training. Additionally, appointed compliance officers supervise and control that applicable rules and procedures are observed.

In cooperation with a range of other companies and organisations Siemens propagates integrity and high ethical business standards, and provides financial support to projects and educational activities to combat corruption and violation of competition law. In Denmark, Siemens Wind Power A/S is represented by Siemens A/S as a member of Transparency International DK and an anti-corruption network comprising a number of major Danish companies.

### Human rights

Since 2003, the Siemens Group has participated in the UN's Global Compact and thus is committed to observing Global Compact's ten principles regarding human rights, labour rights, the environment and corruption.

Siemens has drawn up a set of global rules (see above), according to which all managers and employees must act responsibly and ethically correct in accordance with the rules and regulations in force in countries where Siemens operates and observe human rights and fundamental labour rights.

In addition, all Siemens suppliers must sign Siemens' Code of Conduct for Siemens Suppliers, which includes the duty to observe human rights.

### Knowledge resources

It is the company's objective to possess the latest knowledge within wind power technology and to ensure that the company's production processes are flexible. To meet this end, it is crucial that the company continues to be able to recruit and retain highly qualified employees.

The products and production processes are subject to continuous research and optimisation as means of maintaining and developing the basis for the company's business activities, while at the same time ensuring that quality pervades all day-to-day operations.

Stiftelsen Det Norske Veritas (DNV GL) has certified the company's quality control system, which includes all activities involved from development and production to sale and service according to the ISO 9001 standard.



## Annual report 1 October – 30 September

### Accounting policies

The annual report of Siemens Wind Power A/S for 2015/2016 is prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies are consistent with those of last year.

The financial statements are presented in Danish kroner.

### Recognition and measurement basis

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 implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

In recognising and measuring assets and liabilities, allowance is made for gains, losses and risks which occur before the annual report is presented and which confirm or invalidate matters 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. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.



## Annual report 1 October – 30 September

### 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 interest income or expense and similar items.

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 at the date on which the receivable or payable arose or was recognised in the latest consolidated and parent company financial statements is recognised in the income statement as financial income or expense and similar items.

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised under other receivables or other payables and directly in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised directly in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit for the year.

For derivative financial instruments that do not qualify for hedge accounting, fair value adjustment are recognised in the income statement.

### Segment information

The company operates within only one business segment, as all activities are related to wind turbine development, production installation and service. Segments information is thus only provided by geographical markets specified in EMEA, North America and the rest of the world.

## Annual report 1 October – 30 September

### Accounting policies

### Income statement

#### Revenue

Revenue includes sale of wind turbines and wind farms, and sale of subsequent service and spare parts. Revenue is recognised net of VAT and taxes charged on behalf of third parties.

Contracts to deliver wind farms are recognised as the wind farms are installed, based on the stage of completion of each individual contract (the percentage-of-completion method). Income from the sale of individual wind turbines and spare parts is recognised in the income statement provided that the risk has been transferred to the buyer prior to the year-end and provided that the income can be measured reliably and is expected to be received.

Service sales, which include service and maintenance agreements and extended warranties regarding sold wind turbines and wind farms, are recognised in the income statement over the term of the agreement as the agreed services are provided.

#### Production costs

Production costs comprise expenses, including amortisation/depreciation and wages/salaries, incurred to generate the year's revenue.

#### Selling expenses

Selling expenses comprise expenses related to the sale of goods and sales campaigns etc. in the year. Expenses related to sales staff, advertising and exhibitions and amortisation/depreciation charges are recognised in selling expenses as well.

#### Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the company, including expenses related to administrative staff, office expenses and amortisation/depreciation charges.

#### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the company's primary objective, including loss from property leasing and losses on the sale of fixed assets.

#### Other operating income

Other operating income comprises items of a secondary nature relative to the company's primary objective, including income from property leasing and gains on the sale of fixed assets and activities.

#### Profit/loss after tax in associates

The company's share of the net profit or loss of the individual associates is recognised in the income statement after full elimination of intra-group gains/losses.

Net profit or loss for the associate A2SEA is recognised based on financials as of 30 June 2016.

## Annual report 1 October – 30 September

### Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities and transactions denominated in foreign currencies, surcharges and allowances under the on-account tax scheme etc.

### Tax for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement. Current and deferred tax concerning changes in equity is taken directly to equity.

## Annual report 1 October – 30 September

### Balance sheet

#### Intangible assets

Development projects comprise expenses, salaries and wages which are directly or indirectly attributable to the company's development activities.

Development projects that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future market or development potential in the enterprise can be demonstrated and where the intention is to produce, market or use the product or the process, are recognised as intangible assets provided that it is sufficiently certain that the future earnings are adequate to cover the production, sales and administrative expenses and the total development costs.

Other development costs are recognised in the income statement when incurred.

Intangible assets, which are recognised in the balance sheet, are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

#### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until such date as the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, wages and salaries.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings:	10 - 30 years
Plant and machinery:	3 – 10 years
Fixtures and fittings, tools and equipment:	3 – 5 years
Land is not depreciated	

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less cost of disposal and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under depreciations.

#### Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual impairment indicator test.

In case of evidence of impairment, each asset or group of assets is tested for impairment. Assets are written down to the lower of the recoverable amount and the carrying amount.



## Annual report 1 October – 30 September

### Property, plant and equipment (continued)

#### Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

#### Investments in associates

Investments in associates are measured in the balance sheet at the company's proportionate share of such entities' net asset value plus goodwill on consolidation and less intra-group profits and accumulated amortisation and impairment losses.

An impairment test is made for goodwill if there are indications of decreases in value.

The impairment test is carried through for the activity or business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or the business area to which the goodwill relates (recoverable amount) if it is lower than the carrying amount.

#### Other investments

Securities and investments are measured at the market value at the balance sheet date, if they are listed, or at an approximated fair value if they are not listed.

## Annual report 1 October – 30 September

### Inventories

Inventories are measured at cost using the weighted average cost method. If the net realisable value is lower than cost, inventories are written down to this lower value.

The cost of raw materials and consumables includes the purchase price plus costs of delivery.

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

Production overheads comprise indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment as well as plant administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales price less costs of completion and expenses incurred to effect the sale and are made up taking into account marketability, obsolescence and developments in the expected sales price.

### Trade receivables

Trade receivables are measured at amortised cost, which usually correspond to the nominal value. A provision is made for bad debts based on an individual assessment of each account receivable.

### Contract work in progress for third parties

Contract work in progress is measured at sales value of the work performed.

Contract work in progress includes construction work for the account of others in connection with wind turbine projects, where the supply of wind turbines also includes infrastructure such as roads, cable works, transformer stations, buildings and foundations.

The sales value is measured by reference to the stage of completion at the balance sheet date and the total expected income on each individual work in progress.

The stage of completion is made up as the costs incurred up to the balance sheet date compared to the total expected costs.

Individual contract work in progress is recognised in the balance sheet as either receivables or payables. Net assets are made up as the sum of contract work in progress where the sales value of the work performed exceeds progress billings and bad debts. Net liabilities are made up as the sum of contract work in progress where progress billings, less bad debts, exceed the sales value of completed work.

Expenses relating to sales work and contracts are recognised in the income statement as incurred.

When it is probable that the total contract costs will exceed the total contract revenue, a provision is made for the anticipated loss on the contract.

### Prepayments

Prepayments recognised as assets include expenses incurred concerning subsequent financial years.



## Annual report 1 October – 30 September

### Equity - dividend

Proposed dividend is recognised as a liability at the date of adoption at the annual general meeting (declaration date). Dividend expected to be distributed for the year is shown as a separate item under equity.

### Income tax and deferred tax

Current tax charges and receivables are recognised in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years' taxable income and tax paid in advance.

Deferred tax assets are measured 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.

Deferred tax assets, including the tax base of possible tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax is measured according to the tax rules at the balance sheet date when the deferred tax is expected to be realised as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

The company's taxable income is part of a national joint taxation income, where the administration company is Siemens A/S.

Current tax regarding the companies in the joint taxation is distributed between profit- and loss giving Danish entities according to their taxable income (full allocation method).

### Other provisions

Provisions comprise anticipated expenses related to commitments in respect of sold wind turbines. Provisions are recognised when, as a result of past events, the company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Warranties comprise obligations to make good any defects within the warranty period of normally two to five years. Provisions for warranties are measured at net realisable value and are recognised based on past experience. The provision made for each turbine is estimated on a current basis and is adjusted in accordance with the experiential development in costs.

### Liabilities

Financial liabilities are recognised at the time of borrowing at the proceeds received net of transaction costs incurred.

Financial liabilities are subsequently measured at amortised cost.

Other non-financial liabilities are measured at net realisable value.

### Deferred income

Deferred income comprises payments received concerning income in subsequent years.

## Annual report 1 October – 30 September

### 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 adjusted for non-cash operating items, changes in working capital and income taxes paid.

#### **Cash flows from investing activities**

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

#### **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 expenses as well as borrowings, repayment of interest bearing debt, and payment of dividends to shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value, and intercompany accounts in cash pool arrangements.

Annual report 1 October – 30 September

Income statement

DKK'000

	Note	2015/2016	2014/2015
<b>Revenue</b>	1	27.915.168	21.507.896
Production costs		-26.270.144	-22.181.032
<b>Gross profit</b>		<b>1.645.024</b>	<b>-673.136</b>
Selling expenses		-607.811	-631.624
Administrative expenses		-71.402	-72.520
<b>Profit before other operating expenses</b>		<b>965.811</b>	<b>-1.377.280</b>
Other operating expenses	2	-24.686	-16.848
Other operating income	3	18.492	20.115
<b>Profit before net financials</b>		<b>959.617</b>	<b>-1.374.013</b>
Profit/loss after tax in associates	9	-91.257	55.085
Financial income	4	93.709	65.078
Financial expenses	5	-23.886	-32.696
<b>Pre-tax profit</b>		<b>938.183</b>	<b>-1.286.546</b>
Income tax	6	-227.295	313.985
<b>Profit for the year</b>		<b>710.888</b>	<b>-972.561</b>
<b>Recommended appropriation of profit</b>			
Retained earnings		710.888	-972.561
		<b>710.888</b>	<b>-972.561</b>

Annual report 1 October – 30 September

Balance sheet

DKK'000  
Assets

	Note	2015/2016	2014/2015
<b>Fixed assets</b>			
Completed development projects		141.429	118.121
Development projects in progress		26.552	84.989
Other intangible assets		51	2.505
<b>Intangible assets</b>	7	<b>168.032</b>	<b>205.615</b>
Land and buildings		1.366.073	1.458.525
Plant and machinery		451.069	500.593
Other fixtures and fittings, tools and equipment		976.329	945.098
Assets in progress and prepayments		252.944	127.118
<b>Total property, plant and equipment</b>	8	<b>3.046.415</b>	<b>3.031.334</b>
Investments in associates		0	1.142.512
Other investments		1.617	1.555
<b>Total other investments</b>	9	<b>1.617</b>	<b>1.144.067</b>
<b>Total fixed assets</b>		<b>3.216.064</b>	<b>4.381.016</b>
<b>Inventories</b>	10	<b>2.550.484</b>	<b>2.791.273</b>
Trade receivables		609.672	234.827
Contract work in progress for third parties	11	5.502.455	3.869.588
Receivables from group enterprises		4.068.593	2.749.343
Deferred tax asset	12	0	105.041
Other receivables	13	2.228.029	1.384.261
Prepayments	14	49.389	107.802
<b>Total receivables</b>		<b>12.458.138</b>	<b>8.450.862</b>
<b>Cash</b>		<b>30.309</b>	<b>45.763</b>
<b>Total current assets</b>		<b>15.038.931</b>	<b>11.287.898</b>
<b>TOTAL ASSETS</b>		<b>18.254.995</b>	<b>15.668.914</b>

Annual report 1 October – 30 September

Balance sheet

DKK'000

Equity & Liabilities

	Note	2015/2016	2014/2015
<b>Equity</b>			
Share capital		20.000	20.000
Retained earnings		593.444	-362.004
<b>Total equity</b>		<b>613.444</b>	<b>-342.004</b>
<b>Provisions</b>			
Deferred taxes	15	195.154	0
Other provisions	16	7.414.963	7.065.587
<b>Total provisions</b>		<b>7.610.117</b>	<b>7.065.587</b>
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Work in progress for third parties	11	5.135.605	4.784.235
Prepayments received from customers		13.695	51.347
Payables to group entities		306	0
Trade payables		3.867.341	2.799.966
Other payables		1.007.029	1.309.783
Deferred income		7.458	0
<b>Short-term liabilities</b>		<b>10.031.434</b>	<b>8.945.331</b>
<b>Total liabilities</b>		<b>10.031.434</b>	<b>8.945.331</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>18.254.995</b>	<b>15.668.914</b>
<b>Contingencies</b>	19		
<b>Notes without references</b>	20-24		

Annual report 1 October – 30 September

Statement of changes in equity

DKK'000

	Share capital	Retained earnings	Total
Equity 1 October 2014	20.000	576.307	596.307
Profit for the year	0	-972.561	-972.561
Distributed dividend	0	0	0
Value adjustment of hedging instruments	0	34.205	34.205
Value adjustment of hedging instruments associates	0	45	45
<b>Equity 30 September 2015</b>	<b>20.000</b>	<b>-362.004</b>	<b>-342.004</b>
Profit for the year	0	710.888	710.888
Value adjustment of hedging instruments	0	260.021	260.021
Value adjustment of hedging instruments associates	0	-15.461	-15.461
<b>Equity 30 september 2016</b>	<b>20.000</b>	<b>593.444</b>	<b>613.444</b>

The company's share capital contains of 20.000 pcs of 1.000 each (one class of shares).  
The share capital has been unchanged for the past 5 financial years.



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Cash flow statement

DKK'000

	Note	2015/2016	2014/2015
Profit before net financials		959.668	-1.374.013
Reversal of depreciations		870.572	792.169
Other adjustments	17	373.221	1.741.112
<b>Cash flow from ordinary profit before change in working</b>		<b>2.203.461</b>	<b>1.159.268</b>
Changes in working capital	18	-1.318.487	1.611.821
Net financials		69.823	32.382
Income taxes paid/received		44.205	-51.038
<b>Cash flows from operating activities</b>		<b>999.002</b>	<b>2.752.433</b>
Additions of intangible assets	7	-43.929	-115.599
Disposals of intangible assets	7	157	119
Additions of property, plant and equipment	8	-828.708	-622.694
Disposals of property, plant and equipment	8	417	9.847
Disposals of investments in associates	9	1.035.730	0
Dividend received from associates		100	85.968
<b>Cash flows from investing activities</b>		<b>163.767</b>	<b>-642.359</b>
Dividend distributed		0	0
<b>Cash flows from financing activities</b>		<b>0</b>	<b>0</b>
<b>Changes in cash and cash equivalents</b>		<b>1.162.769</b>	<b>2.110.074</b>
Cash and cash equivalents at 1 October		2.158.449	48.375
<b>Cash and cash equivalents at 30 September</b>		<b>3.321.218</b>	<b>2.158.449</b>
<b>Analysis of cash and cash equivalents:</b>			
Deposits with banks		30.309	45.763
Receivables from group enterprises, cashpool arrangement		3.290.909	2.112.686
<b>Cash and cash equivalents, net</b>		<b>3.321.218</b>	<b>2.158.449</b>

## Annual report 1 October – 30 September

### Notes

DKK'000

	<u>2015/2016</u>	<u>2014/2015</u>
<b><u>1 - Segment information</u></b>		
The company has only one business segment. Revenue is therefore broken down by geographical segments:		
Revenue, EMEA	25.814.790	19.297.683
Revenue, North America	915.978	1.430.672
Revenue, other countries	1.184.400	779.541
	<u>27.915.168</u>	<u>21.507.896</u>
<b><u>2 - Other operating expenses</u></b>		
Loss on disposal of fixed assets	24.686	16.848
	<u>24.686</u>	<u>16.848</u>
<b><u>3 - Other operating income</u></b>		
Gain on disposal of fixed assets	693	3.136
Gain on electricity from windmills	17.799	16.979
	<u>18.492</u>	<u>20.115</u>
<b><u>4 - Financial income</u></b>		
Interest receivable, group enterprises	288	359
Other financial income	93.421	64.719
	<u>93.709</u>	<u>65.078</u>
<b><u>5 - Financial expenses</u></b>		
Interest payable, group enterprises	18.892	13.725
Other financial expenses	4.994	18.971
	<u>23.886</u>	<u>32.696</u>

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	<u>2015/2016</u>	<u>2014/2015</u>
<b><u>6 - Tax for the year</u></b>		
Current tax	-5.229	-17.656
Deferred tax	232.941	315.175
Prior years adjustment	-417	16.466
<b>Total tax for the year</b>	<b><u>227.295</u></b>	<b><u>313.985</u></b>

	Completed development projects	Development projects in progress	Other intangible assets	Total
<b><u>7 - Intangible assets</u></b>				
Cost at 1 October 2015	631.048	84.989	56.063	772.100
Additions	17.377	26.552	0	43.929
Disposals	0	0	-3.492	-3.492
Transfers	84.989	-84.989	0	0
<b>Cost at 1 September 2016</b>	<b><u>733.414</u></b>	<b><u>26.552</u></b>	<b><u>52.571</u></b>	<b><u>812.537</u></b>
Amortisation and write-downs at 1 October 2015	-512.927	0	-53.558	-566.485
Amortisation in the year	-79.058	0	-2.297	-81.355
Disposals	0	0	3.335	3.335
<b>Amortisation and write- downs at 30 September 2016</b>	<b><u>-591.985</u></b>	<b><u>0</u></b>	<b><u>-52.520</u></b>	<b><u>-644.505</u></b>
<b>Carrying amount at 30 September 2016</b>	<b><u>141.429</u></b>	<b><u>26.552</u></b>	<b><u>51</u></b>	<b><u>168.032</u></b>
Carrying amount at 30 September 2015	118.121	84.989	2.505	205.615
Amortisation period	<u>3 years</u>		<u>3 years</u>	

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8 - Tangible assets	Land and buildings	Plant and machinery	Other	Assets in progress and prepayments	Total
			fixtures and fittings, tools and equipment		
Cost at 1 October 2015	2.123.340	931.628	3.041.952	127.118	6.224.038
Additions	3.652	48.391	542.364	234.301	828.708
Disposals	-6.547	-55.256	-168.109	0	-229.912
Adjustment	9.204	23	-2.895	0	6.332
Transfers	253	11.117	97.105	-108.475	0
<b>Cost at 1 September 2016</b>	<b>2.129.902</b>	<b>935.903</b>	<b>3.510.417</b>	<b>252.944</b>	<b>6.829.166</b>
Amortisation and write-downs at 1 October 2015	-664.815	-431.035	-2.096.854	0	-3.192.704
Amortisation in the year	-96.168	-95.258	-597.791	0	-789.217
Disposals	6.358	41.482	157.662	0	205.502
Adjustment	-9.204	-23	2.895	0	-6.332
<b>Amortisation and write-downs at 30 September 2016</b>	<b>-763.829</b>	<b>-484.834</b>	<b>-2.534.088</b>	<b>0</b>	<b>-3.782.751</b>
<b>Carrying amount at 30 September 2016</b>	<b>1.366.073</b>	<b>451.069</b>	<b>976.329</b>	<b>252.944</b>	<b>3.046.415</b>
Carrying amount at 30 September 2015	1.458.525	500.593	945.098	127.118	3.031.334
Amortisation period	10 - 30 years	3 - 5 years	3 - 5 years		
<b>9 - Investments</b>				Other invest-ments	Total
Cost at 1 October 2015			1.220.576	4.994	1.225.570
Disposals			-1.220.576	0	-1.220.576
<b>Cost at 30 September 2016</b>			<b>0</b>	<b>4.994</b>	<b>4.994</b>
Revaluations and write downs at 1 October 2015			-78.064	-3.439	-81.503
Disposals			216.544	0	216.544
Received dividend			0	-100	-100
Profit/loss after tax			-123.019	162	-122.857
Value adjustment of hedging instruments			-15.461	0	-15.461
<b>Amortisation and write-downs at 30 September 2016</b>			<b>0</b>	<b>-3.377</b>	<b>-3.377</b>
<b>Carrying amount at 30 September 2016</b>			<b>0</b>	<b>1.617</b>	<b>1.617</b>
Carrying amount at 30 September 2015			1.142.512	1.555	1.144.067
Profit/loss after tax					-122.857
Received dividend					-100
Gain on disposal					31.700
<b>Profit/loss after tax in associates</b>					<b>-91.257</b>

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Notes

DKK'000	2015/2016	2014/2015
<b>10 - Inventories</b>		
Raw materials and consumables	2.069.578	2.425.808
Work in progress	470.378	335.308
Finished goods and goods for resale	20.666	32.886
Prepayments for goods	-10.138	-2.729
	<b>2.550.484</b>	<b>2.791.273</b>
<b>11 - Work in progress for third parties</b>		
Sales orders in progress	82.773.302	72.468.024
Invoiced on account on sales orders in progress	-82.406.452	-73.382.671
	<b>366.850</b>	<b>-914.647</b>
<b>Analysed as follows:</b>		
Work in progress for third parties	5.502.455	3.869.588
Work in progress for third parties (liabilities)	-5.135.605	-4.784.235
	<b>366.850</b>	<b>-914.647</b>
<b>12 - Deferred tax asset</b>		
Deferred tax 1 October	105.041	0
Adjustment of deferred tax prior year	6.085	0
Adjustment via equity	-73.339	0
Adjustment of deferred tax in the year from income statement	-37.787	105.041
<b>Deferred tax asset 30 September</b>	<b>0</b>	<b>105.041</b>
<b>Deferred tax asset includes:</b>		
Intangible assets	0	-33.511
Property, plant and equipment	0	55.712
Investments	0	-159
Current assets	0	-165.343
Provisions	0	57.361
Financial instruments relating to future cash flows	0	5.401
Liabilities other than provisions	0	30.584
Value prior year tax result	0	154.996
<b>Total deferred tax</b>	<b>0</b>	<b>105.041</b>

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DKK'000

2015/2016 2014/2015

**13 - Other receivables**

Of the company's receivables, DKK 622,9 million (2014/2015: DKK 917,8 million) falls due for payment after more than 1 year after the balance sheet date

**14 - Prepayments**

Prepayments recognised as assets include expenses incurred concerning subsequent financial years.

**15 - Deferred tax**

Deferred tax 1 October	0	222.486
Adjustment of deferred tax due to change in company tax percentage	0	-22.533
Adjustment of deferred tax prior year	0	-1.545
Adjustment via equity	0	11.726
Adjustment of deferred tax in the year from income statement	195.154	-210.134
<b>Deferred tax 30 September</b>	<b>195.154</b>	<b>0</b>
<b>Deferred tax includes:</b>		
Intangible assets	25.245	0
Property, plant and equipment	-79.810	0
Investments	193	0
Current assets	377.375	0
Provisions	-67.088	0
Financial instruments relating to future cash flows	67.938	0
Liabilities other than provisions	-20.040	0
Tax loss	-108.659	0
<b>Total Deferred tax</b>	<b>195.154</b>	<b>0</b>



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DKK'000

	<u>2015/2016</u>	<u>2014/2015</u>
<b><u>16 - Other provisions</u></b>		
Other provisions 1 October	7.065.587	5.338.187
Usage of provisions	-2.728.345	-1.910.262
Reversal of provisions	-873.693	-490.427
New provisions	3.951.414	4.128.089
Other provisions 30 September	<b><u>7.414.963</u></b>	<b><u>7.065.587</u></b>
<b>Analysed as followed:</b>		
Warranty provisions	7.088.895	6.798.283
Other provisions	326.068	267.304
	<b><u>7.414.963</u></b>	<b><u>7.065.587</u></b>
<b>The provisions fall due within</b>		
0-1 year	2.049.115	1.991.870
1-5 years	5.365.848	5.073.717
	<b><u>7.414.963</u></b>	<b><u>7.065.587</u></b>

Due to the nature there are uncertainties related to the warranty provision. Calculation consist of esti-mated repair costs and estimated failure rates which are based on actual

**17 - Cash flow statement, adjustments**

Loss on disposals property, plant and equipment	24.686	16.848
Gain on disposals property, plant and equipment	-693	-3.136
Changes in warranty provisions	290.612	1.731.087
Changes in other provisions	58.764	-3.687
Others	-148	0
	<b><u>373.221</u></b>	<b><u>1.741.112</u></b>

**18 - Cash flow statement, changes in working**

Changes in inventories	240.789	416.119
Changes in receivables	-2.978.739	-301.140
Changes in short-term liabilities	1.086.103	1.450.911
Changes to unrealised hedging items	333.360	45.931
	<b><u>-1.318.487</u></b>	<b><u>1.611.821</u></b>

## Annual report 1 October – 30 September

### Notes without references

DKK'000

	2015/2016	2014/2015
<b>19 - Contingencies, etc</b>		
<b>Operating lease liabilities</b>		
Total rent in the notice period amounts to	188.742	196.601
Other rent and lease liabilities	37.111	71.030
Falls due after 5 years	1.713	12.203
<b>Guarantees</b>		
Guarantees to customers and suppliers provided by third parties, the company's bank and financial connections	1.554.919	1.556.328
- hereof guaranteed by group company	1.488.183	1.303.202

#### Other commitments

As from the income year 2012, the company is jointly and severally liable together with other jointly taxed entities for payment of tax on the joint taxation income as well as withholding taxes. Further information can be found in the annual report for the administration company, Siemens A/S, CVR no 16 99 30 85

#### 20 - Use of derivative financial instruments

In order to hedge recognised and non-recognised financial transactions, Siemens Wind Power A/S uses forward exchange contracts.

#### Currency risks

DKK Mio.

	Expected future payments (net)	Hedged by forward exchange contracts	Net position
EUR	15.060	15.049	11
USD	-1.046	-1.041	-5
GBP	5.767	5.778	-11
SEK	-11	-12	1
ZAR	1.234	1.226	8
NOK	5	0	5
JPY	344	344	0
CNY	-5	-5	0
Total	<b>21.348</b>	<b>21.339</b>	<b>9</b>

At year end, the company's unrealised exchange gain totaled to DKK 303,6 million before tax and DKK 236,8 million after tax.

The total change in unrealised exchange gain for the year amounts to DKK 333,1 million after tax, of which a gain of DKK 260,0 million is taken to equity and a gain of DKK 73,1 million is recognised in the income statement.

#### Raw material contracts

At year end, an unrealised exchange loss on raw material contracts totaled DKK 0,4 million.

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Notes without references

DKK'000

	<u>2015/2016</u>	<u>2014/2015</u>
<b><u>21 - Staff costs</u></b>		
Remuneration to the executive board	7.717	7.471
Wages and salaries	3.737.563	3.353.422
Pension costs	285.331	261.493
Other social security costs	93.163	85.971
Other staff costs	136.967	102.979
<b>Total staff costs</b>	<b><u>4.260.741</u></b>	<b><u>3.811.336</u></b>
Average number of employees	<u>7.002</u>	<u>6.436</u>
<b><u>22 - Fees to auditors appointed by the annual general meeting</u></b>		
Total fees Ernst & Young	<u>1.656</u>	<u>1.646</u>
Analysis of fees:		
Fee for statutory audit	1.589	1.574
Fee for other assurance engagements	67	72
	<u>1.656</u>	<u>1.646</u>

## Annual report 1 October – 30 September

### Notes without references

DKK'000

#### 23 - Charges and security for loans

No charges or security for loans have been placed at year end.

#### 24 - Related parties

Related parties include the supervisory and executive boards and the executive officers as well as the family members of these persons. Further, related parties include entities in the Siemens AG Group.

#### **Foreign branches**

Permanent establishment in China and South Africa.

#### **Transactions with related parties**

Transactions with companies and branches regarding construction contracts in other countries take place on an arm's length basis.

#### **Ownership**

The following shareholder is recorded in the register of shareholders as 100% owner of the company:

Siemens Beteiligungen Inland GmbH, Wittelsbacherplatz 2, D-81541 München, Germany.

The ultimate parent is Siemens AG, Germany.

The company's financial statements are included in the consolidated financial statements of Siemens AG, Germany.

The consolidated financial statements of Siemens AG are obtainable from [www.siemens.com](http://www.siemens.com).