

# **LM WP Holdings A/S**

**CVR no. 34 47 02 35**

**Annual report for 2014**

Adopted at the annual general meeting on 24 April 2015

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Peder Toft Nielsen  
Chairman

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## **Statement by Management on the annual report**

Today, the Executive and Supervisory Boards have discussed and approved the annual report of LM WP Holdings A/S for the financial year 1 January - 31 December 2014.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of its operations for the financial year 1 January - 31 December 2014.

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

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

Kolding, 24 April 2015

### **Executive Board**

Leo Schot

### **Supervisory Board**

John Leahy  
Chairman

Nick Smith

Søren Høffer

Leo Schot

## **Independent Auditor's Report**

*To the Shareholder of LM WP Holdings A/S*

### **Report on the financial statements**

We have audited the financial Statements of LM WP Holdings A/S for the financial year 1 January - 31 December 2014, which comprise summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the financial statements**

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

### **Auditor's Responsibility**

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

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

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

The audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statements gives a true and fair view of the Company's financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

## **Independent Auditor's Report**

### **Statement on Management's review**

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the Financial Statements.

Vejle, 24 April 2015

PricewaterhouseCoopers  
statsautoriseret revisionsaktieselskab

Jens Otto Damgaard  
State Authorised Public Accountant

Per Jansen  
State Authorised Public Accountant

## **Company details**

LM WP Holdings A/S  
Jupitervej 6  
DK-6000 Kolding  
Website: [www.lmwindpower.com](http://www.lmwindpower.com)

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

### **Supervisory Board**

John Leahy, Chairman  
Nick Smith  
Søren Høffer  
Leo Schot

### **Executive Board**

Leo Schot

### **Auditors**

PricewaterhouseCoopers  
statsautoriseret revisionsaktieselskab  
Herredsvej 32  
7100 Vejle

### **Consolidated financial statements**

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

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

## **Management's review**

### **Many activity**

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

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

### **Trends in activities and financial aspects**

#### **The income statement**

Profit/loss for the year comprises a loss of DKK 85 thousand.

#### **The balance sheet**

Fixed assets in investment including shares in subsidiaries in LM Group Holding A/S form main part of the balance sheet. The fixed financial asset is recognized to cost price minus impairment and the amount is DKK 3,457 million.

#### **Equity**

The equity is DKK 3,457 million as of 31 December 2014.

#### **Ownership structure**

The entire share capital of the company is owned by:

LM Wind Power Holding A/S

## **Accounting policies**

The Annual Report of LM WP Holdings A/S for 2014 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

### **Recognition and measurement**

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

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

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### **Consolidated Financial Statements**

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

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

## **Accounting policies**

### **Income statement**

#### **Other external costs**

Other external costs comprise office expenses etc.

#### **Financial income and expenses**

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

#### **Tax on profit/loss for the year**

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

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

### **Balance sheet**

#### **Investments in subsidiaries**

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

#### **Receivables**

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

#### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

#### **Current tax receivables and liabilities**

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

## **Accounting policies**

### **Financial debts**

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

## Income Statement 1 January - 31 December 2014

	<u>Note</u>	<u>2014</u> DKK 1,000	<u>2013</u> DKK 1,000
Other external costs		-94	-61
<b>Operating profit/loss</b>		<b>-94</b>	<b>-61</b>
Impairment of investments in subsidiaries		0	-397,939
Financial costs	1	-19	-21
<b>Profit/loss before tax</b>		<b>-113</b>	<b>-398,021</b>
Tax on profit/loss for the year	2	28	-1
<b>Net profit/loss for the year</b>		<b>-85</b>	<b>-398,022</b>

## Distribution of profit

### Forslag til resultatdisponering

Retained earnings		-85	-398,022
		<b>-85</b>	<b>-398,022</b>

## Balance Sheet at 31 December 2014

	<u>Note</u>	<u>2014</u> DKK 1,000	<u>2013</u> DKK 1,000
<b>Assets</b>			
Investments in subsidiaries	3	<u>3,457,271</u>	<u>3,457,271</u>
<b>Fixed asset investments</b>		<u><b>3,457,271</b></u>	<u><b>3,457,271</b></u>
<b>Fixed assets</b>		<u><b>3,457,271</b></u>	<u><b>3,457,271</b></u>
Receivables from subsidiaries		0	13
Deferred tax asset		<u>28</u>	<u>0</u>
<b>Receivables</b>		<u><b>28</b></u>	<u><b>13</b></u>
<b>Current assets total</b>		<u><b>28</b></u>	<u><b>13</b></u>
<b>Assets total</b>		<u><u><b>3,457,299</b></u></u>	<u><u><b>3,457,284</b></u></u>

## Balance sheet at 31 December 2014

	<u>Note</u>	<u>2014</u> DKK 1,000	<u>2013</u> DKK 1,000
<b>Liabilities and equity</b>			
Share capital		47,161	47,161
Retained earnings		<u>3,409,854</u>	<u>3,409,939</u>
<b>Equity total</b>	4	<b><u>3,457,015</u></b>	<b><u>3,457,100</u></b>
Payables to subsidiaries		205	121
Other payables		<u>79</u>	<u>63</u>
<b>Short-term debt</b>		<b><u>284</u></b>	<b><u>184</u></b>
<b>Debt total</b>		<b><u>284</u></b>	<b><u>184</u></b>
<b>Liabilities and equity total</b>		<b><u>3,457,299</u></b>	<b><u>3,457,284</u></b>
Pledges of rights and guarantees	5		
Related parties and ownership	6		

## Notes to the annual report

	2014 <u>DKK 1,000</u>	2013 <u>DKK 1,000</u>
<b>1 Financial costs</b>		
Interest paid to subsidiaries	6	3
Other financial costs	<u>13</u>	<u>18</u>
	<b><u>19</u></b>	<b><u>21</u></b>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	<u>-28</u>	<u>1</u>
	<b><u>-28</u></b>	<b><u>1</u></b>
<b>3 Investments in subsidiaries</b>		
Cost at 1 January	3,457,271	3,855,210
Impairment	<u>0</u>	<u>-397,939</u>
Cost at 31 December	<u>3,457,271</u>	<u>3,457,271</u>
<b>Carrying amount at 31 December</b>	<b><u>3,457,271</u></b>	<b><u>3,457,271</u></b>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share-capital</u>	<u>Votes and ownership</u>	<u>Equity</u>	<u>Net profit/loss for the year</u>
LM Group Holding A/S	Kolding	69,965	100%	3,853,166	394,393

## Notes to the annual report

### 4 Equity

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January	47,161	3,409,939	3,457,100
Net profit/loss for the year	0	-85	-85
<b>Equity at 31 December</b>	<b><u>47,161</u></b>	<b><u>3,409,854</u></b>	<b><u>3,457,015</u></b>

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

### 5 Pledges of rights and guarantees

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

### 6 Related parties and ownership

#### Controlling interest

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

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

#### Ownership

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

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