Annual Report 2015

VKR Holding A/S

Translation from the approved statutory Danish annual report

VKR Holding
Investing in daylight, fresh air and a better environment

Contents

Home for Life, Aarhus Denmark, Martin Dyrløv Madsen 2009

Manage-ment's review

Highlights of 2015

- Revenue of DKK 17.7 billion, up 8% on the year before
- Profit before depreciation (EBITDA) DKK 3.7 billion (2014: DKK 3.0 billion)
- Profit margin 16.4% (2014: 12.3%)
- Profit after tax of DKK 2.0 billion (2014: DKK 1.3 billion)
- Cash flow from operating activities of DKK 3.3 billion after tax (2014: DKK 2.8 billion)
- Solidity remains high with a solvency ratio of 78%
- The number of employees at year-end 2015 totalled 13,600 (end-2014: 13,500)

Progress and historical result

Going into 2015, there were generally quite positive expectations for the activity level in the markets. The year set off on a positive note with a relatively high level of activity in the first half of 2015 and emerging optimism for the year as a whole. However, the level of activity declined towards the end of the year but covers highly varying performances between individual markets, and primarily in relation to window sales. Still, for the year as a whole, there was a fair increase in overall market activity.

Adding to the performance in 2014, all of the business units improved and further optimised the individual parts of their various organisations in 2015, resulting in a generally lower cost level and relatively lower production costs. These trends were particularly relevant in the core business, including window production and sales (VELUX® and DOVISTA®). Owing to the size of the core business relative to the overall business volume, this development is considered to strongly support the earnings capacity and to be very important with respect to future competitive strength.

Strengthened position in large-scale solar thermal energy

On 2 February 2015, the activities in large-scale solar thermal energy were further strengthened by acquiring the activities of SUNMARK Solutions, including a wholly owned Vietnamese production company. ARCON Solar was subsequently renamed Arcon-Sunmark, and the transaction helped to further consolidate a strong market position in large-scale solar thermal energy plants both in the domestic market and abroad. In 2015 the leading position within large-scale solar thermal energy was retained, and Arcon-Sunmark's solutions were in strong demand primarily from the district heating sector. The internationalisation efforts were continued, and several large-scale international projects are maturing. Focus has also been on selling solutions for the mining industry in Latin America. As intended, the international share of operations relative to 2014 was increased.

Financial and operational performance

Overall, 2015 was a very positive year for the Group with favourable trends in all business units in which VKR has controlling influence. As in previous years, developments varied from market to market, and the year was characterised by periodic volatility.

Revenue and profit from operations

The VKR Group recorded total revenue of DKK 17.7 billion in 2015, corresponding to growth of 8.1% relative to 2014. The increase was driven by higher volumes and favourable exchange rate developments, notably in GBP and USD. All of the underlying business units reported improved performance and strengthened their individual market positions. In 2015, growth was driven especially by the Nordic countries, the UK and North America, with the latter two gaining extra support from exchange rate developments.

The historically high income from primary operations in 2015 was better than had been expected and higher than in 2014. The improvement was attributable to an increase in revenue combined with favourable developments in production costs, driven also by lower raw material prices. EBITDA amounted to DKK 3.7 billion, up from DKK 3.0 billion in 2014.

EBITA increased by 44% to DKK 2.9 billion from DKK 2.0 billion in 2014. All business areas achieved double-digit EBITA growth rates in 2015. The profit (EBITA) margin was 16.4% in 2015, compared to 12.3% in 2014.

Investments

The VKR Group made net investments of DKK 0.5 billion in tangible fixed assets, corresponding to just below 3% of total revenue. The amount represented an increase of DKK 0.3 billion on the year before. Investments in 2015 related primarily to maintenance and improvements of machinery and buildings. In the core business (window production), the increased sales volume was handled by using existing production capacity through optimisation efforts and greater efficiency. The strong growth in large-scale solar thermal energy necessitated an expansion of our production facilities in Denmark in order to keep up with the growing demand.

Cash flow from operating and investing activities

Cash flow from operating activities amounted to DKK 3.7 billion before tax (2014: DKK 3.2 billion) and DKK 3.3 billion after taxes paid (2014: DKK 2.8 billion). Working capital was reduced in 2015 despite the higher level of activity. Working capital employed totalled 10% of revenue in 2015 versus 11% in 2014.

After deduction of operating investments, free cash flow after tax amounted to DKK 2.8 billion in 2015, against DKK 2.5 billion in 2014.

Financial investments

In addition to investments in subsidiaries, VKR Holding has financial investments in various asset classes such as shares, bonds, private equity, real estate etc. Over the course of the year, investments are adjusted according to risk profile and investment horizon.

The global equity markets were characterised by strong volatility especially in the second half of 2015 with strongly diverging trends between developed and emerging markets. The equity investments are exposed to European and US share markets as well as global and emerging market shares. Overall, investments in shares yielded a return of 13% in 2015. Illiquid investments such as private equity and property funds yielded returns of 20% and 21% respectively. VKR Holding seeks to invest in relatively illiquid asset classes where illiquidity may contribute to higher returns over the total life of an investment.

Tax

Tax on profit for the year amounted to DKK 0.7 billion in 2015, against DKK 0.6 billion the year before.

Consolidated financial highlights

Key figures (DKKm)	2015	2014	2013	2012	2011
Revenue	17,734	16,412	16,414	16,994	17,552
Profit before depreciation (EBITDA)	3,743	2,950	2,272	2,427	2,693
Profit before goodwill amortization (EBITA)	2,900	2,011	1,335	1,533	1,795
Profit after tax	2,004	1,340	788	1,129	1,040
Investment in tangible fixed assets (net)	503	244	594	1,266	688
Free cash flow before tax	3,235	2,880	2,225	681	1,901
Total assets	16,060	14,550	17,318	17,230	16,968
Equity	12,522	11,180	14,144	13,873	13,497
Financial ratios (in %)					
Profit margin	16.4	12.3	8.1	9.0	10.2
Return on capital employed	39.2	24.9	14.5	16.5	20.2
Equity ratio	78.0	76.8	81.7	80.5	79.5
Average number of employees	13,644	13,444	14,519	15,130	15,113

Profit for the year

The overall result was a record profit after tax of DKK 2.0 billion (2014: DKK 1.3 billion). The higher profit after tax relative to 2014 was primarily driven by a combination of higher revenue and continuously enhanced production efficiency. In light of the fact that the financial performance was in line with expectations and that the underlying business units contributed to the positive and historically strong results, management considers the profit for the year to be very satisfactory.

As a financial investor, VKR Holding is focused on generating a return that as a minimum compensates for the risk undertaken. All of the business areas in which VKR Holding has control reported positive financial performance in 2015. The different business sizes mean that the amounts contributed to the Group by each business area vary. Accordingly, our core businesses are the largest contributors to the overall financial performance.

Capital resources

Total assets amounted to DKK 16.1 billion at 31 December 2015, against DKK 14.6 billion at the end of 2014. Cash and marketable securities amounted to DKK 6.3 billion at year-end 2015 (2014: DKK 4.6 billion).

Ordinary dividends of DKK 1.0 billion were distributed to the shareholders after the annual general meeting in March 2015.

VKR Holding's equity amounted to DKK 12.5 billion at year-end 2015 (year-end 2014: DKK 11.2 billion). The solvency ratio was 78% at the end of 2015. As intended, the solvency ratio is still considered to be at a high and solid level. At the annual general meeting in March 2016, it will be proposed that dividends of DKK 1.0 billion be distributed to the shareholders.

Innovation and development activities

Focus remains on the stricter energy requirements to new construction work as well as refurbishment of existing buildings. This involves new products, materials, technologies and designs, which are expected to support future developments. In 2015, the business areas continued to launch new products which will provide an improved indoor climate and enhanced energy efficiency.

VKR Holding actively and systematically protects its intellectual rights. In total, VKR Holding owns and manages 1,675 patents.

Employees

At year-end 2015, the VKR Group had approximately 13,600 employees, which was a minor increase on the year before. About 2,700 of these employees worked in Denmark. At the end of 2015, the Group had about 3,500 employees in Poland, which was an increase of more than 100 employees relative to 2014. In Hungary, Germany, France and Sweden, the VKR Group also has a significant number of employees. In the western European countries, the number of employees has generally been reduced by about 200.

Corporate social responsibility and corporate governance

Corporate social responsibility (CSR) forms a natural part of VKR Holding's overall business strategy. The commitment to CSR within business areas owned by VKR Holding builds on the Model Company Objective laid down by the company's founder Villum Kann Rasmussen already in 1965 (see http://www.vkr-holding.com).

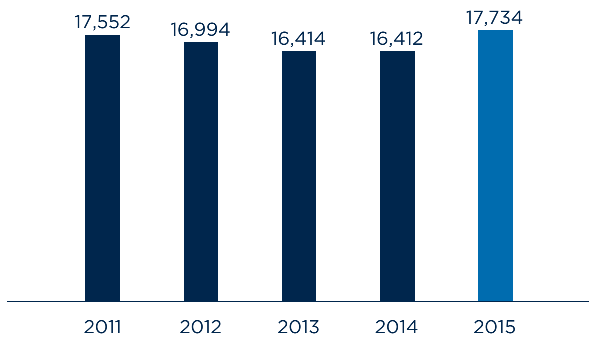
The responsibility for exercising CSR rests primarily with the boards and managements of the individual companies and business areas in order to anchor the ownership in the best possible way in day-to-day operations. Given the decentralised approach and significant variation between the business areas, it is believed that aggregating figures and preparing a consolidated report would not provide a true and fair view. Instead, improvements are to be anchored and achieved within the individual units as supported by the model implemented. The aim is to share identified "best practices" among the business areas.

Each business area ensures that the overall business strategy also includes progress relative to CSR initiatives. The business areas manufacture and sell products generally designed to achieve energy efficiency improvements and which themselves make positive contributions to society and the environment during the products' individual lifetimes. However, the actual production process initially involves an environmental impact, and efforts are consistently made to seek to reduce this impact. Recycling takes place whenever possible, and focus is on appropriate waste disposal.

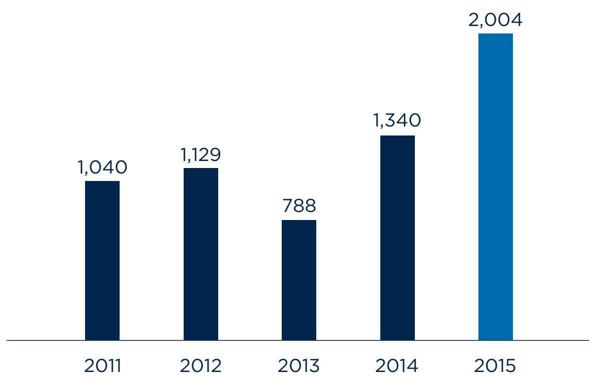
Concurrently with these efforts, the Group companies remain highly focused on occupational health and safety and health and safety standards for their employees.

The statutory CSR report for the financial year 2015 (pursuant to section 99a of the Danish Financial Statements Act) is available on the website:
(http://www.vkr-holding.dk/vkr/CSR.aspx).
(For CSR information in English, please refer to CSR on VKR Holding's website).

REVENUE 2015 – DKKm



PROFIT AFTER TAX 2015 - DKKm



Diversity targets

VKR Holding A/S always recruits employees and board members based on suitability and qualifications. The proportion of female board members elected by the shareholders in the parent company is currently 20%.

The target is still to have one more female board member by 2017 by replacing current board members or by expanding the board by an additional female candidate. Such replacement/expansion of the board will take place when the most suitable candidate for a seat on the board is a woman and when replacing a board member or expanding the board is considered appropriate.

Board members are elected for terms of one year. VKR Holding A/S as well as the business areas are increasingly focused on identifying suitable female candidates.

Risk factors

The Group's future earnings may be affected by general macroeconomic developments and depend on the Group's ability to maintain strong market positions, among other things through constant product development and efficiency enhancements throughout the value chain. The respective business areas/units are considered suitably positioned in their respective markets.

Risk factors include the uncertain macroeconomic trends and geopolitical issues, which may adversely affect the level of activity both in public and private sector construction work. Overall, there was an increase in the level of activity in 2015, but towards the end of the year, there were indications of developments levelling off. Obviously, this gives rise to some uncertainty with respect to expected market developments in 2016.

Changes in building legislation and the trends towards energy-friendly buildings and the use of renewable energy sources are key focus areas for VKR Holding's business units, and these trends largely define the setting for their future business potential. Ambitious political targets for energy-efficient solutions and free competition serve the Group's interests.

General risks

The VKR Group's comprehensive international activities also mean that the Group's income statement and equity are exposed to a number of financial risks:

- Interest rate risk
- Currency risk
- Credit risk
- Liquidity risk

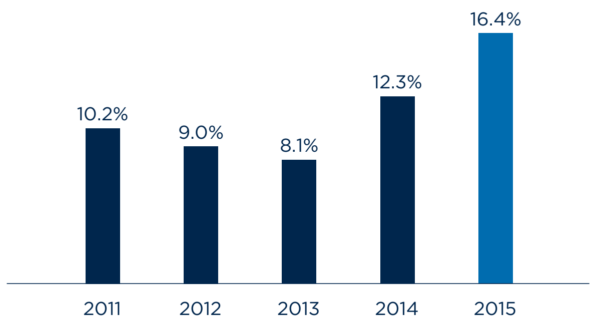
Interest rate risk

VKR Holding has a high solvency ratio and very limited exposure to fluctuating borrowing interest rates. The largest single risk factor relates to developments in global equity markets, and the current environment of low interest rates also represents a significant risk in terms of bond price developments. Focus remains on mitigating these risks when entering into any kind of financial investment.

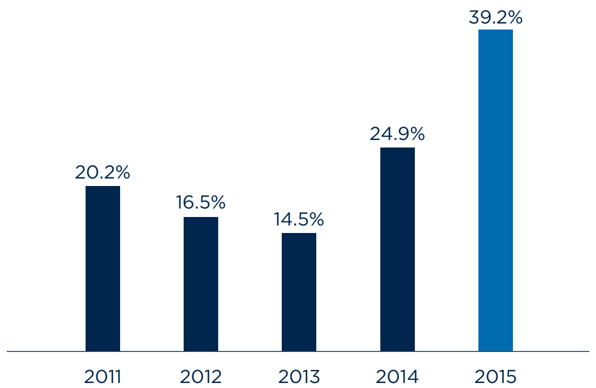
Currency risk

The structure of the VKR Group, in which the underlying business areas have sale and production in foreign currency in a number of markets, to some extent balances income and expenses. However, a substantial part of the external revenue is generated in EUR, which does not involve any major currency risk relative to DKK. The principal net exposure relates to GBP, PLN and USD as well as SEK and NOK. In 2015, movements in RUB also had an effect on financial items.

PROFIT MARGIN 2015 - %



RETURN ON CAPITAL EMPLOYED 2015 - %



On translation into Danish kroner, the VKR Group's revenue and profit will be affected by exchange rate changes. However, overall the Group is believed to have no major exposure to currency risks. Risks relating to exchange rates are monitored on an ongoing basis.

Credit risk

In terms of geography and number, the VKR Group's business areas have a relatively diversified customer base, and the credit risk is therefore generally quite limited. The business areas maintain strong focus on addressing credit risks and credit-granting procedures, and when it is considered necessary, insurance or bank guarantees are used for hedging outstanding debtors. Losses incurred on single customers are limited and there is no particular concentration of credit risk from specific customers.

As a result of the international diversification of activities, the Group has business relations with a number of different banks in most parts of the world. In order to reduce credit risk in connection with placing deposits etc., the Group only uses large and solid financial institutions. An assessment of the counterparty risk for the banks used throughout the Group takes place regularly.

Liquidity risk

The VKR Group maintains adequate and strong financial resources in liquid form. The Group's business areas/companies regularly have excess liquidity or a liquidity shortfall, which are balanced out, when it is financially feasible, via VKR Holding, which acts as intra-group bank. Where considered appropriate, currency cash pools are established. VKR Holding's internal bank also acts as lender to the Group's business areas.

Product quality and product liability

Inadequate product quality is potentially a key risk factor. If the quality fails to meet expectations, it will cause a disadvantage to the customers and a substantial cost burden for the companies. This risk is monitored and proactively managed using comprehensive quality and environmental management systems that comprise product development, in-house production and suppliers. The products regularly undergo rigorous testing, both in-house and by independent certified test institutes.

Working environment

All companies owned by VKR Holding and all factories are dedicated to ensuring a healthy and safe working environment. The companies work with the international OHSAS 18001 standard for occupational health and safety. Specific figures are shown in the CSR report.

Events after the balance sheet date

No events have occurred since the balance sheet date that will have a material impact on the profit for the year or the company's financial position.

Outlook for 2016

2015 was generally characterised by a fair level of activity with improvements in a number of the key markets for the VKR Group's business areas. Towards the end of the year, however, there were indications of a slowdown in activity, which naturally gives rise to some concern with respect to developments in the early part of 2016. In spite of these trends, the overall expectation for 2016 is that the Group will see an increase in the level of construction activity. However, if the developments in the financial markets experienced at the beginning of 2016 persist, they would, other things being equal, have an adverse impact on the financial result.

The business areas have positive expectations to the level of construction activity, although subject to some variations between the markets. The business areas expect a modest improvement in operating performance in 2016.

Based on the market outlook for 2016, a profit for 2016 at the same level as in 2015 is forecasted. Geopolitical issues and developments in the financial markets are considered the most important uncertainty factors for 2016.

VKR Holding A/S
Hørsholm, 7 March 2016

Company information

VKR Holding A/S
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DK-2970 Hørsholm

Telephone
+45 39 69 11 44

Website
www.vkr-holding.com

Company reg.no. (CVR)
30 83 04 15

Registered office
Hørsholm

Financial year
Calender year

Board of directors

Søren Bjerre-Nielsen
Chairman

Thomas Thune Andersen
Vice-chairman

Anne Broeng

Mads Kann-Rasmussen

Steen Riisgaard

Management

Jan Lundsgaard Jensen
CEO

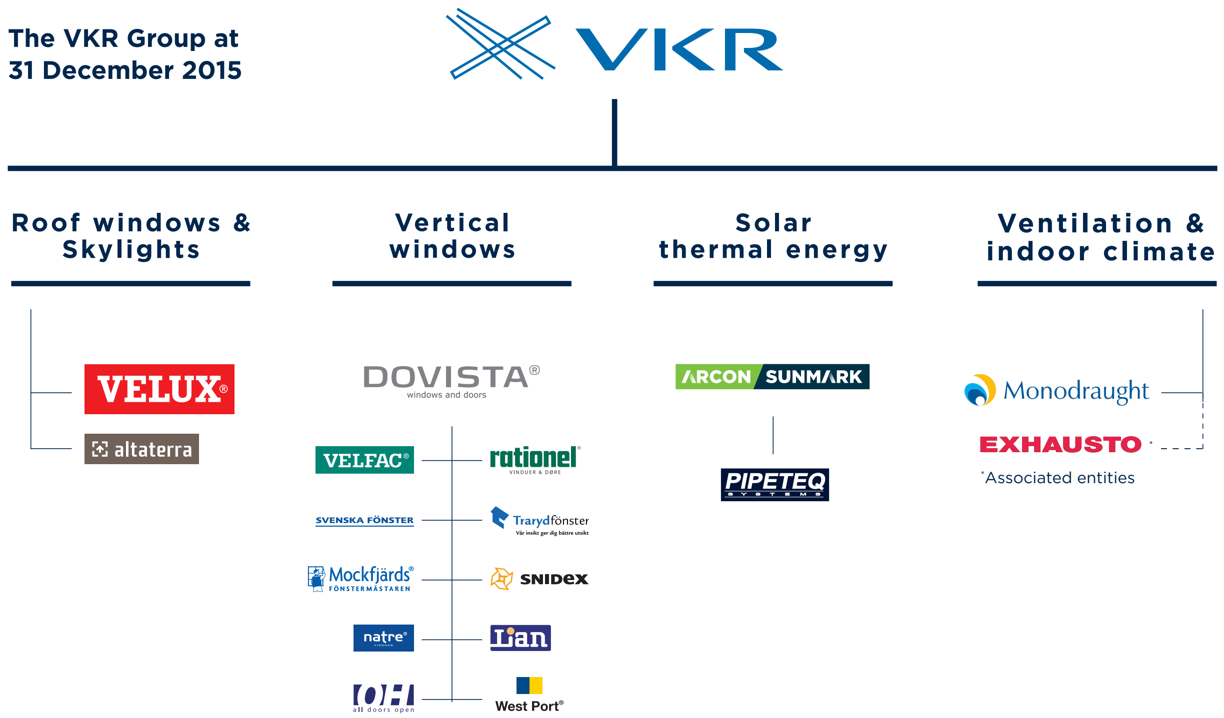
Auditors

Ernst & Young
Godkendt
Revisionspartnerselskab
Osvald Helmuths vej 4,
DK-2000 Frederiksberg

Annual general meeting

The annual general meeting will be held on 17 March 2016 at the company's registered address.

The VKR Group at 31 December 2015



Management's statement

The board and management have today discussed and approved the annual report of VKR Holding A/S for 2015.

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

In our opinion, the Group and parent company financial statements give a true and fair view of the Group's and the parent company's assets, equity and liabilities and financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and the consolidated cash flow for the financial year 1 January to 31 December 2015.

It is also our opinion that the Management's review constitutes a true and fair account of the development in the Group's and the parent company's operations and financial circumstances, the net profit for the year and the Group's and the parent company's financial position.

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

Hørsholm, 7 March 2016

Management	The Board	
Jan Lundsgaard Jensen CEO	**Søren Bjerre-Nielsen** Chairman	**Anne Broeng**
	Thomas Thune Andersen Vice-chairman	**Mads Kann-Rasmussen**
		Steen Riisgaard

Independent auditors' report

To the shareholders of VKR Holding A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of VKR Holding A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet and notes including accounting policies for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Frederiksberg, 7 March 2016

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

Henrik Kronborg Iversen State Authorised Public Accountant	**Anders Stig Lauritsen** State Authorised Public Accountant

VELUX Modular Skylight, University of Southern Denmark (SDU), Denmark, Laura Stamer 2015

Consolidated and parent company financial statements 2015

INCOME STATEMENT 1 JANUARY – 31 DECEMBER

		GROUP		PARENT COMPANY	
DKKm	**NOTE**	**2015**	**2014**	**2015**	**2014**
Revenue	2	17,734	16,412		
Changes in inventories of manufactured goods, work in progress and goods for resale		-104	-13		
Work performed for own account and capitalised		24	27		
Other operating income		109	60	1,874	1,502
		17,764	16,486	1,874	1,502
Costs of raw materials, consumables and goods for resale		5,506	5,191		
Other external costs	3	4,226	4,093	488	470
Employee costs	4	4,289	4,251	38	35
Depreciation, amortisation and impairment losses		939	1,034	59	61
Profit before financial items and tax		2,804	1,916	1,288	937
Profit after tax in subsidiaries	10			951	504
Profit after tax in associates	10	-43	-11	-44	-11
Financial income	5	321	216	380	319
Financial expenses	6	339	219	256	87
Profit before tax		2,743	1,902	2,320	1,663
Tax on profit for the year	7	739	562	315	323
Net profit for the year		**2,004**	**1,340**	**2,004**	**1,340**

Distribution of profit

DKKm					
Proposed dividend				1,000	1,000
Retained earnings				1,004	340
Total distribution of profit				2,004	1,340

BALANCE SHEET AT 31 DECEMBER

		GROUP		PARENT COMPANY	
DKKm	NOTE	2015	2014	2015	2014
ASSETS					
Fixed assets					
Intangible fixed assets	8				
Development projects		86	62		
Patents and licences		4	1	11	23
Goodwill		221	325		
Other intangible fixed assets		35	36		
		345	423	11	23
Tangible fixed assets	9				
Land and buildings		2,306	2,358	464	514
Plant and machinery		1,099	1,383		
Other fixtures and fittings, tools and equipment		157	137	7	1
Tangible fixed assets under construction and prepayments for tangible fixed assets		168	76	1	4
		3,729	3,954	472	519
Investments	10				
Investments in subsidiaries				3,400	2,524
Investments in associates		1	44	0	44
Receivables from associates		4	115	2	113
Other investments		837	736	664	728
Other receivables		19	22	7	5
		860	917	4,074	3,414
Total fixed assets		4,934	5,295	4,557	3,956
Current assets					
Inventories					
Raw materials and consumables		585	570		
Work in progress		456	474		
Manufactured goods and goods for resale		1,181	1,264		
Prepayments for goods		0	1		
		2,222	2,308		
Receivables					
Trade receivables	11	1,449	1,465		
Contract work in progress	12	69	30		
Receivables from subsidiaries				2,506	3,252
Corporation tax receivables		56	94	63	27
Deferred tax assets	13	284	287	46	62
Other receivables		536	359	33	30
Prepayments		172	158	1	1
		2,567	2,393	2,648	3,372
Marketable securities		5,171	3,937	5,094	3,937
Cash at bank and on hand		1,166	617	491	180
Total current assets		11,126	9,255	8,232	7,488
TOTAL ASSETS		**16,060**	**14,550**	**12,789**	**11,444**

BALANCE SHEET AT 31 DECEMBER

		GROUP		PARENT COMPANY	
DKKm	NOTE	2015	2014	2015	2014
EQUITY AND LIABILITIES					
Equity					
Share capital	14	110	110	110	110
Retained earnings		11,412	10,070	11,412	10,070
Proposed dividend		1,000	1,000	1,000	1,000
Total equity		12,522	11,180	12,522	11,180
Provisions					
Deferred tax liabilities	15	77	59		
Other provisions	16	474	610		
Total provisions		551	668		
Liabilities other than provisions					
Non-current liabilities	17				
Mortgage debt		2	3		
		2	3		
Current liabilities					
Current portion of non-current liabilities	17	4	32		8
Credit institutions		51	60		
Prepayments received from customers		116	69		
Trade payables		986	841	10	6
Payables to subsidiaries				195	210
Corporation tax		81	84		
Other short term debt		1,747	1,612	62	41
		2,985	2,698	267	264
Total liabilities		2,987	2,702	267	264
TOTAL EQUITY AND LIABILITIES		**16,060**	**14,550**	**12,789**	**11,444**

Accounting policies	1
Contingent liabilities	18

CASH FLOW STATEMENT

	GROUP	
DKKm	2015	2014
Cash flow from operations before changes in working capital	3,533	3,081
Changes in working capital	196	76
Corporation tax paid	-464	-386
Cash flow from operating activities	**3,265**	**2,771**
Acquisition and disposal of enterprises and activities	57	23
Acquisition and disposal of intangible and tangible fixed assets	-552	-301
Cash flow to operating investing activities	-494	-277
Purchase and sale of marketable securities	-1,322	1,432
Cash flow generated from or used in investing activities	**-1,817**	**1,155**
Financial income and financial expenses	183	-57
Net proceeds from loans	-47	-19
Dividends from associates	1	0
Dividends paid	-1,000	-4,495
Cash flow used in financing activities	**-863**	**-4,570**
Total cash flow for the year	**585**	**-644**
Cash at bank and on hand, beginning of year	617	1,319
Exchange rate adjustments	-37	-57
Cash at bank and on hand, yearend	**1,166**	**617**

NOTES

1 Accounting policies

The annual report of VKR Holding A/S for the calendar year 2015 has been prepared in accordance with the provisions applying to class C (large) 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.

The financial statements are presented in Danish kroner rounded to the nearest million, and due to this rounding the sum of the individual items may differ from the totals.

Recognition and measurement

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

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

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

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

Consolidated financial statements

Consolidation

On consolidation of the parent company VKR Holding A/S and the subsidiaries, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Business combinations

Acquisitions of enterprises are accounted for using the purchase method unless the criteria for use of the pooling of interests method are met. Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement up to the date of disposal. On application of the pooling of interests method, the difference between the purchase consideration and the equity of the acquire is recognised directly in equity.

If put options are issued as part of the purchase consideration for business combinations, the put options that minority interests receive are regarded as honoured at the time of takeover. The minority interest is deleted and a liability other than provisions is recognised at fair value upon first measurement. The fair value is calculated as the current value of the exercise price for the option. The subsequent measurement is carried out at the amortised cost price with continuous recognition of interest costs in the income statement and value changes in goodwill.

Goodwill is recognised as intangible fixed assets and amortised on a systematic basis in the income statement based on an individual assessment of the usual life, although not exceeding 15 years.

NOTES

Minority interests
In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Foreign currency translation
Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Exchange rate differences are recognised in the income statement as financial income and financial expenses.

Monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the time at which the receivable or payable arose or was recognised in the latest annual report is recognised in the income statement as financial income and financial expenses.

On recognition of foreign enterprises, the income statements are translated at average exchange rates and the balance sheet items are translated at the exchange rates at the balance sheet date. Exchange rate differences arising on translation are recognised directly in equity.

Exchange rate adjustments of intra-group balances with independent foreign enterprises considered part of the total investment in the subsidiary are recognised directly in equity.

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

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as hedges of future assets or liabilities are recognised in other receivables or other payables and in equity.

If the future transaction results in recognition of assets or liabilities, amounts which were previously recognised in equity are transferred at the cost of the asset or liability respectively. If the future transaction results in financial income or financial expenses, the amounts which were previously recognised in equity are recognised in the income statement in the period when the hedge affects the results.

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

Income statement
Revenue
Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year-end. Contract work in progress is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Other operating income and costs
Other operating income and costs comprise items secondary to the activities of the companies, including gains and losses on disposal of intangible and tangible fixed assets.

Other external costs
Other external costs comprise distribution costs and costs relating to sales, advertising, administration, office premises, bad debt losses, operating leases, etc.

Profits/losses from investments in subsidiaries and associates
The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses, if impairment has not taken place. The proportionate share of the results after tax of the associates is recognised in both the parent company and the consolidated income statements after elimination of the proportionate share of intra-group profits/losses, if impairment has not taken place.

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

NOTES

Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

The company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated between profit- and loss-making companies in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

The Company settles the total Danish tax from the jointly taxed companies' taxable income.

Balance sheet
Intangible fixed assets
Gain and losses from sale of intangible fixed assets are recognised in the income statement as other operating income or other operating expenses.

Goodwill
Goodwill is measured at cost less accumulated amortisation and is amortised on a straight-line basis over the estimated useful life, which constitutes for up to 15 years for companies with strong market position and long-term earnings profile. Moreover, goodwill is written down when deemed necessary.

Development projects
Development costs comprise costs, salaries and amortisation directly and indirectly attributable to the company's development activities. Development costs are recognised if there is sufficient assurance that future earnings will be generated. Other development costs are recognised in the income statement when incurred. Capitalised development costs are measured at cost less accumulated amortisation and written down to the net realisable value, if this is lower. Development costs are amortised on a straight-line basis over the estimated useful life, although not exceeding five years.

Patents, licences and software
Patents, licences and software are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over the remaining patent period, licences and software are amortised over the agreement period, although not exceeding five years. Patents, licences and software are further written down when deemed necessary.

Tangible fixed assets
Tangible fixed assets are measured at cost less accumulated depreciation. Tangible fixed assets are written down to the net realisable value, if this is lower than the carrying amount. Assets held under finance leases are treated in the same way as the company's other tangible fixed assets.

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

- Buildings 25 years
- Plant and machinery 5-10 years
- Other fixtures and fittings, tools and equipment 3-5 years

Gain and losses from sale of tangible fixed assets are recognised in the income statement as other operating income or other operating expenses.

Investments
Investments in subsidiaries and associates
Investments in subsidiaries and associates are measured in accordance with the equity method minus or plus unrealised intra-group profits and losses, if impairment has not taken place. Subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the negative net asset value, if the amount owed is considered irrecoverable. Where the negative net asset value exceeds the amount owed, the remaining amount is recognised as part of the carrying amount and is amortised based on an individual assessment of the useful life.

Other securities and investments
Other securities and investments which do not have fixed expiry dates and are recognised as fixed assets are measured at fair value. Other securities with fixed expiry dates which the company intends to hold to maturity are recognised at amortised cost.

Current assets
Inventories
Inventories are recognised at cost in accordance with the FIFO method. If the net realisable value is lower than cost, inventories are written down to this lower value. The cost price for goods for resale and raw materials and consumables comprises the purchase price plus delivery costs. The cost price for manufactured goods and work in progress comprises direct and indirect production overheads.

NOTES

Receivables
Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Contract work in progress is measured at the selling price of the work performed. If the selling price of a construction contract cannot be reliably measured, the selling price is measured at the lower of costs incurred and net realisable value. Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments
Prepayments comprise prepayments regarding goods and services not yet received and expenses incurred for goods and services, which are not to be used until the subsequent financial year.

Other securities and investments
Listed securities and investments recognised as current assets are measured at fair value at the balance sheet date.

Equity
Dividend
The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities
Deferred tax
Deferred tax is measured using the balance sheet liability method on differences between the carrying amount and the tax base of assets and liabilities. Deferred tax assets are recognised at the expected value of their utilisation.

Other provisions
Other provisions comprise anticipated costs related to warranties, losses on work in progress, restructurings, pension obligations, etc.

Liabilities other than provisions
Financial liabilities are recognised at the date of borrowing at the proceeds received. Premiums/discounts are accrued over the term of the liability. Capitalised obligations on finance leases are recognised as liabilities other than provisions. Other liabilities other than provisions are measured at net realisable value.

Cash flow statement
The cash flow statement shows the Group's cash flow from operating, investing and financing activities for the year, the year's changes in cash at bank and on hand, and the Group's cash at bank and on hand at the beginning and end of the year. The cash flow effect of acquisitions and disposals of enterprises is included in cash flow from investing activities. Cash flow from acquisitions of enterprises is recognised in the cash flow statement from the date of acquisition. Cash flow from disposals of enterprises is recognised up until the date of disposal.

Financial ratios
The financial ratios have been calculated in accordance with the Danish Finance Society' recommendations and guidelines. The financial ratios mentioned are calculated as follows:

Profit margin: $\dfrac{\text{EBITA x 100}}{\text{Revenue}}$

Return on capital employed: $\dfrac{\text{EBITA x 100}}{\text{Average capital employed including goodwill}}$

Equity ratio (solidity): $\dfrac{\text{Equity x 100}}{\text{Total assets}}$

EBITA:
Profit before goodwill amortisation, financial items and tax.

Capital employed including goodwill:
Intangible and tangible fixed assets + other receivables + working capital. Goodwill is recognised at book value + accumulated amortisation.

NOTES

2 Revenue

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Break-down by geographical segments:				
Europe	16,198	15,145		
Rest of the world	1,536	1,266		
	17,734	16,412		

Pursuant to section 96(1) of the Danish Financial Statements Act, revenue is not disclosed by business segments.

3 Fee to auditors appointed at the annual general meeting

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Total fee				
Fee to auditor appointed at the annual general meeting	13	12	1	1
Other auditors	3	3	0	0
	16	16	2	2
The fee can be specified as follows:				
Statutory audit	9	9	0	0
Tax consultancy	5	5	2	1
Other assurance engagements	0	0	0	0
Non-audit services	2	2	0	0
	16	16	2	2

4 Employee costs

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Wages and salaries	3,529	3,493	35	32
Pensions	305	302	3	3
Other social security costs	454	456	0	0
	4,289	4,251	38	35
Average number of employees	13,644	13,444	36	35

Employee costs comprise remuneration of the board of directors and management of DKKm 9 (2014: DKKm 7) in the Group and DKKm 9 (2014: DKKm 7) in the parent company.

NOTES

5 Financial income

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Total financial income	321	216	380	319

The parent company's interest income from subsidiaries DKKm 23 (2014: DKKm 118).

6 Financial expenses

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Total financial expenses	339	219	256	87

The parent company's interest paid to subsidiaries DKKm 4 (2014: DKKm 1).

7 Tax

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Current tax for the year	714	556	314	286
Prior year adjustment	-1	-29	-15	-8
Deferred tax for the year	26	35	17	44
	739	562	315	323

The Group's current and deferred tax including prior year adjustments amounted to DKKm 739 (2014: DKKm 562), equivalent to an effective tax rate of 26.9% (2014: 29.5%).

CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS 2015

NOTES

8 Intangible fixed assets

GROUP

DKKm	Development projects	Patents and licences, etc.	Goodwill	Other intangible fixed assets	Total
Cost at 1 January 2015	555	12	1,747	218	2,533
Exchange rate and other adjustments	5		-1	1	4
Additions during the year	36	4		25	65
Disposals during the year			-8	-19	-27
Transferred				3	3
Cost at 31 December 2015	595	16	1,737	228	2,577
Amortisation and impairment losses at 1 January 2015	493	12	1,422	182	2,109
Exchange rate and other adjustments	5		-1	1	5
Amortisation for the year	12	1	91	23	127
Impairment losses for the year			5		5
Disposals during the year			-2	-13	-15
Amortisation and impairment losses at 31 December 2015	510	12	1,516	194	2,232
Carrying amount at 31 December 2015	86	4	221	35	345

Development projects include completed projects as well as projects under construction.

PARENT COMPANY

DKKm	Patents & licences, etc.
Cost at 1 January 2015	380
Additions during the year	0
Disposals during the year	-81
Cost at 31 December 2015	299
Amortisation and impairment losses at 1 January 2015	357
Amortisation for the year	12
Disposals during the year	-81
Amortisation and impairment losses at 31 December 2015	288
Carrying amount at 31 December 2015	11

NOTES

9 Tangible fixed assets

GROUP

DKKm	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepayments and fixed assets under construction	Total
Cost at 1 January 2015	4,698	5,967	905	76	11,646
Exchange rate and other adjustments	40	70	16	-9	117
Additions during the year	120	259	88	198	664
Disposals during the year	-41	-738	-164	-10	-953
Transferred	26	51	7	-88	-3
Cost at 31 December 2015	4,842	5,611	852	168	11,473
Depreciation and impairment losses at 1 January 2015	2,340	4,584	768	0	7,692
Exchange rate and other adjustments	16	48	10	0	74
Depreciation for the year	164	513	78	0	755
Impairment losses for the year	50				50
Depreciation and impairment losses on disposal of assets	-32	-634	-160	0	-827
Transferred	0	0	0	0	0
Depreciation and impairment losses at 31 December 2015	2,537	4,511	696	0	7,744
Carrying amount at 31 December 2015	2,306	1,099	157	168	3,729

PARENT COMPANY

DKKm	Land and buildings	Other fixtures and fittings, tools and equipment	Prepayments and fixed assets under construction	Total
Cost at 1 January 2015	1,401	18	4	1,422
Additions during the year	1	3	1	6
Disposals during the year	-16	-2		-18
Transferred		4	-4	0
Cost at 31 December 2015	1,386	23	1	1,410
Depreciation and impairment losses at 1 January 2015	887	17		904
Depreciation for the year	46	1		47
Depreciation and impairment losses on disposal of assets	-11	-2	0	-13
Depreciation and impairment losses at 31 December 2015	922	16	0	938
Carrying amount at 31 December 2015	464	7	1	472

NOTES

10 Investments

GROUP

DKKm	Investments in associates	Receivables from associates	Other investments	Other receivables	Total
Cost at 1 January 2015	81	115	751	52	998
Exchange rate and other adjustments				0	0
Additions during the year		5	372	3	380
Disposals during the year	-8	-1	-250	-35	-295
Cost at 31 December 2015	74	119	872	19	1,083
Value adjustments at 1 January 2015	-37	0	-15	-29	-81
Exchange rate and other adjustments				0	0
Net profit for the year and value adjustments	-43				-43
Dividends for the year	-1				-1
Disposals during the year	8		-84	29	-46
Other value adjustments		-115	63		-52
Value adjustments at 31 December 2015	-73	-115	-35	0	-223
Carrying amount at 31 December 2015	1	4	837	19	860

PARENT COMPANY

DKKm	Investments in subsidiaries	Investments in associates	Receivables from associates	Other investments	Other receivables
Cost at 1 January 2015	4,030	73	113	739	5
Additions during the year	251	0	5	202	1
Disposals during the year	-27		-1	-249	
Cost at 31 December 2015	4,254	73	117	693	7
Value adjustments at 1 January 2015	-1,506	-29		-11	
Exchange rate and other adjustments	135				
Net profit for the year and value adjustments	951	-44			
Dividends for the year	-425				
Additions during the year					
Disposals during the year	-10			-84	
Other value adjustments	1		-115	67	
Value adjustments at 31 December 2015	-854	-73	-115	-28	
Carrying amount at 31 December 2015	**3,400**	**0**	**2**	**664**	**7**

NOTES

11 Receivables

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Due for payment more than 1 year after the end of the financial year	0	0	0	0

12 Contract work in progress

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Sales value construction contracts	194	190		
Invoicing on account	-126	-160		
	68	30		
Recognised as follows:				
Contract work in progress (assets)	69	30		
Prepayments from customers (liabilities)	-1	0		
	68	30		

13 Deferred tax assets

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Deferred tax assets at 1 January	287	307	62	107
Exchange rate adjustments	6	1		
Adjustments for the year	-9	-20	-17	-44
Deferred tax assets at 31 December	284	287	46	62

NOTES

14 Equity

The share capital comprises:
10,000 A shares of DKK 1,000 each
99,869 B shares of DKK 1,000 each
The Share capital has not been changed during the last five years.
Each A share carries 10 voting rights, and each B share carries 1 voting right.

GROUP

DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	110	10,070	1,000	11,180
Dividend paid			-1,000	-1,000
Exchange rate adjustments		126		126
Other adjustments		212		212
Transferred via distribution of profit		1,004	1,000	2,004
Equity at 31 December 2015	**110**	**11,412**	**1,000**	**12,522**

PARENT COMPANY

DKKm	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2015	110	10,070	1,000	11,180
Dividend paid			-1,000	-1,000
Exchange rate adjustments		126		126
Other adjustments		212		212
Net profit for the year carried forward		1,004	1,000	2,004
Equity at 31 December 2015	**110**	**11,412**	**1,000**	**12,522**

15 Deferred tax liabilities

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Deferred tax liabilities at 1 January	59	45		
Exchange rate adjustments	1	-1		
Adjustment for the year	17	15		
Deferred tax liabilities at 31 December	77	59		

NOTES

16 Other provisions

The provisions mainly relate to warranty provisions.
Other provisions are expected to fall due as follows:

	GROUP	PARENT COMPANY
0-1 year	178	
> 1 year	296	
Other provisions at 31 December 2015	474	

17 Non-current liabilities

DKKm	GROUP Total Non-current liabilities 31/12 2015	Current portion of non-current liabilities (0-1 year)	Long term portion of non-current liabilities (more than 1 year)	Non-current liabilities falling due more than five years after the balance sheet date
Non-current liabilities are recognised as follows:				
Mortgage credit institutions	3	1	2	
Leases	2	2		
Total 31. december 2015	5	4	2	

18 Contingent liabilities

DKKm	GROUP 2015	GROUP 2014	PARENT COMPANY 2015	PARENT COMPANY 2014
Lease obligations (operating leases) falling due within five years, total	150	156	2	1
Commitment relating to investment in equity funds	505	321	485	321
Rental obligations	324	291	77	79
Guarantees	271	177	97	
Other contractual obligations	477	452		

The parent company is jointly taxed with other Danish companies in the VKR Group. The company has unlimited joint and several liability with the other jointly taxed companies for company taxes, interest thereon etc. and for Danish dividend tax withheld at source, interest and royalties within the joint taxation group.

COMPANY OVERVIEW AT 31 DECEMBER 2015

Company name	Registered office	Ownership share
A/S Østbirk Bygningsindustri	Horsens, Denmark	100%
Arcon-Sunmark A/S	Rebild, Denmark	100%
Arcon-Sunmark GmbH	Regensburg, Germany	100%
Arcon-Sunmark GmbH	Krumpendorf, Austria	100%
Arcon-Sunmark Production Co. Ltd.	Binh Duong, Vietnam	100%
Altaterra Magyarország Kft.	Fertőd, Hungary	100%
Altaterra Polska Sp. z o.o.	Warsaw, Poland	100%
B18-1 A/S	Hørsholm, Denmark	100%
Beteiligungs-Gesellschaft Handel & Mack mbH	Weilheim/Teck, Germany	20%
Betterhome ApS	Frederiksberg, Denmark	25%
BKR ČR, s.r.o.	Vyskov, Czech Republic	100%
BT Components A/S	Gladsaxe, Denmark	100%
DEUTSCHE-CAP GmbH	Hamburg, Germany	100%
Dovista (Guangzhou) windows and doors Technology Co. Ltd.	Guangzhou, China	100%
DOVISTA A/S	Horsens, Denmark	100%
DOVISTA Norge AS	Gjøvik, Norway	100%
DOVISTA Polska Sp. z o.o.	Swarozyn, Poland	100%
DOVISTA Sverige AB	Edsbyn, Sweden	100%
FE "VELUX Roof Windows"	Minsk, Belarus	100%
FIFE JOINERY MANUFACTURING LIMITED	Fife, United Kingdom	100%
FOCO Solar Energy S.A. (in liquidation)	Athens-Lamia, Greece	100%
Gelsted Bygningsindustri A/S	Middelfart, Denmark	100%
Gåsdal Bygningsindustri A/S	Ringkøbing-Skjern, Denmark	100%
Handel & Mack GmbH & Co. KG Metalfabrik	Weilheim/Teck, Germany	20%
Homecontrol A/S	Hørsholm, Denmark	100%
KH-SK France S.A.S.	Marnay, France	100%
Lian Trevarefabrikk AS	Hemne, Norway	100%
Mockfjärds Fönster AB	Mockfjärd, Sweden	100%
Mockfjärds Fönsterentreprenad AB	Mockfjärd, Sweden	100%
Mockfjärds Fönstermästaren AB	Mockfjärd, Sweden	100%
Monodraught Limited	High Wycombe, United Kingdom	100%
Natre Vinduer AS	Gjøvik, Norway	100%
NB Polska Sp. z o.o.	Gniezno, Poland	100%
O.H. Industri A/S	Ikast-Brande, Denmark	100%
Partizánske Building Components-SK s.r.o.	Partizánske, Slovakia	100%
Plattform Dach.de GbR	Mayen, Germany	20%
Pipeteq Systems A/S	Rudkøbing, Denmark	100%
Rationel Vinduer A/S	Herning, Denmark	100%
Rationel Vinduer Ltd.	Dublin, Ireland	100%
Rationel Windows (UK) Ltd.	Bicester, United Kingdom	100%
RoofLITE France S.A.R.L	Bayonne, France	100%
S.C. VELUX România S.R.L.	Brasov, Romania	100%
SIG Sonneborn Bauzubehör Industriegesellschaft mbH	Sonneborn, Germany	100%
Skærbæk Bygningsindustri A/S	Tønder, Denmark	100%
Snidex AB	Burträsk, Sweden	100%
SolarCAP A/S	Hørsholm, Denmark	100%

COMPANY OVERVIEW AT 31 DECEMBER 2015

Company name	Registered office	Ownership share
SolarSouth Investment Komplementar ApS	Hørsholm, Denmark	35%
SolarSouth Investment P/S	Hørsholm, Denmark	35%
Svenska Fönster AB	Edsbyn, Sweden	100%
The New West Port Corporation Limited	Maryport, United Kingdom	100%
Thyregod Bygningsindustri A/S	Vejle, Denmark	100%
TVC Holdings LLC	Greenwood, USA	100%
V.U.K. HOLDINGS LIMITED	Fife, United Kingdom	100%
VELFAC A/S	Horsens, Denmark	100%
VELFAC AB	Solna, Sweden	100%
VELFAC GmbH	Herford, Germany	100%
VELFAC Ireland Ltd.	Dublin, Ireland	100%
VELFAC Ltd.	Cambridge, United Kingdom	100%
Velserv A/S	Hørsholm, Denmark	100%
Velsol France S.A.S.	Reignier, France	100%
Velterm A/S	Horsens, Denmark	100%
VELUX (CHINA) CO., Ltd.	Langfang, China	100%
VELUX A/S	Hørsholm, Denmark	100%
VELUX America LLC	Greenwood, USA	100%
VELUX Argentina S.A.	Buenos Aires, Argentina	100%
VELUX Australia Pty. Ltd.	Alexandria, N.S.W., Australia	100%
VELUX Belgium S.A.	Bierges, Belgium	100%
VELUX Bosna i Hercegovina d.o.o.	Illidza, Bosnia-Hercegovina	100%
VELUX Bulgaria EOOD	Sofia, Bulgaria	100%
VELUX Canada Inc.	Oakville, Ontario, Canada	100%
VELUX Çati Pencereleri Ticaret Limited Sirketi	Istanbul, Turkey	100%
VELUX Česká republika, s.r.o.	Brno, Czech Republic	100%
VELUX Chile Limitada	Santiago, Chile	100%
VELUX Company Ltd.	Fife, United Kingdom	100%
VELUX Danmark A/S	Hørsholm, Denmark	100%
VELUX Design and Development Company USA LLC	Greenwood, USA	100%
VELUX Deutschland GmbH	Hamburg, Germany	100%
VELUX Eesti OÜ	Tallinn, Estonia	100%
VELUX France S.A.S.	Morangis Cédex, France	100%
VELUX Greenwood LLC	Greenwood, USA	100%
VELUX Group USA Inc.	Greenwood, USA	100%
VELUX Hrvatska d.o.o.	Zagreb, Croatia	100%
VELUX Italia s.p.a.	Colognola ai Colli, Italy	100%
VELUX-Japan Ltd.	Tokyo, Japan	100%
VELUX Latvia SIA	Riga, Latvia	100%
VELUX Lietuva, UAB	Vilnius, Lithuania	100%
VELUX Magyarország LKR Korlátolt Felelősségű Társaság	Fertőd, Hungary	100%
VELUX Nederland B.V.	De Meern, Netherland	100%
VELUX New Zealand Ltd.	Auckland, New Zealand	100%
VELUX Norge AS	Oslo, Norway	100%
VELUX Polska Sp. z o.o	Warsaw, Poland	100%
VELUX Portugal, Lda.	Lisbon, Portugal	100%
VELUX Schweiz AG	Trimbach, Switzerland	100%

COMPANY OVERVIEW AT 31 DECEMBER 2015

Company name	Registered office	Ownership share
VELUX Sky Forwarding LLC	Greenwood, USA	100%
VELUX Slovenija d.o.o.	Trzin, Slovenia	100%
VELUX Slovensko spol. s.r.o.	Bratislava, Slovakia	100%
VELUX Solutions LLC	Greenwood, USA	100%
VELUX Spain, S.A.	Madrid, Spain	100%
VELUX Srbija d.o.o	Beograd, Serbia	100%
VELUX Suomi Oy	Helsinki, Finland	100%
VELUX Svenska AB	Helsingborg, Sweden	100%
VELUX Ukraina TOV	Kiev, Ukraine	100%
VELUX Österreich GmbH	Wolkersdorf, Austria	100%
Ventilation Holding ApS	Langeskov, Denmark	39%
Vindusmesteren AS	Drammen, Norway	100%
VKR France S.A.S.	Feuquières-en-Vimeu, France	100%
VKR Invest ApS	Hørsholm, Denmark	100%
ZAO MD-RUS	Rostov, Russia	100%
ZAO VELUX	Moscow, Russia	100%

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