ANNUAL **REPORT 2012**

CVR 26 75 97 22

GlobalConnect

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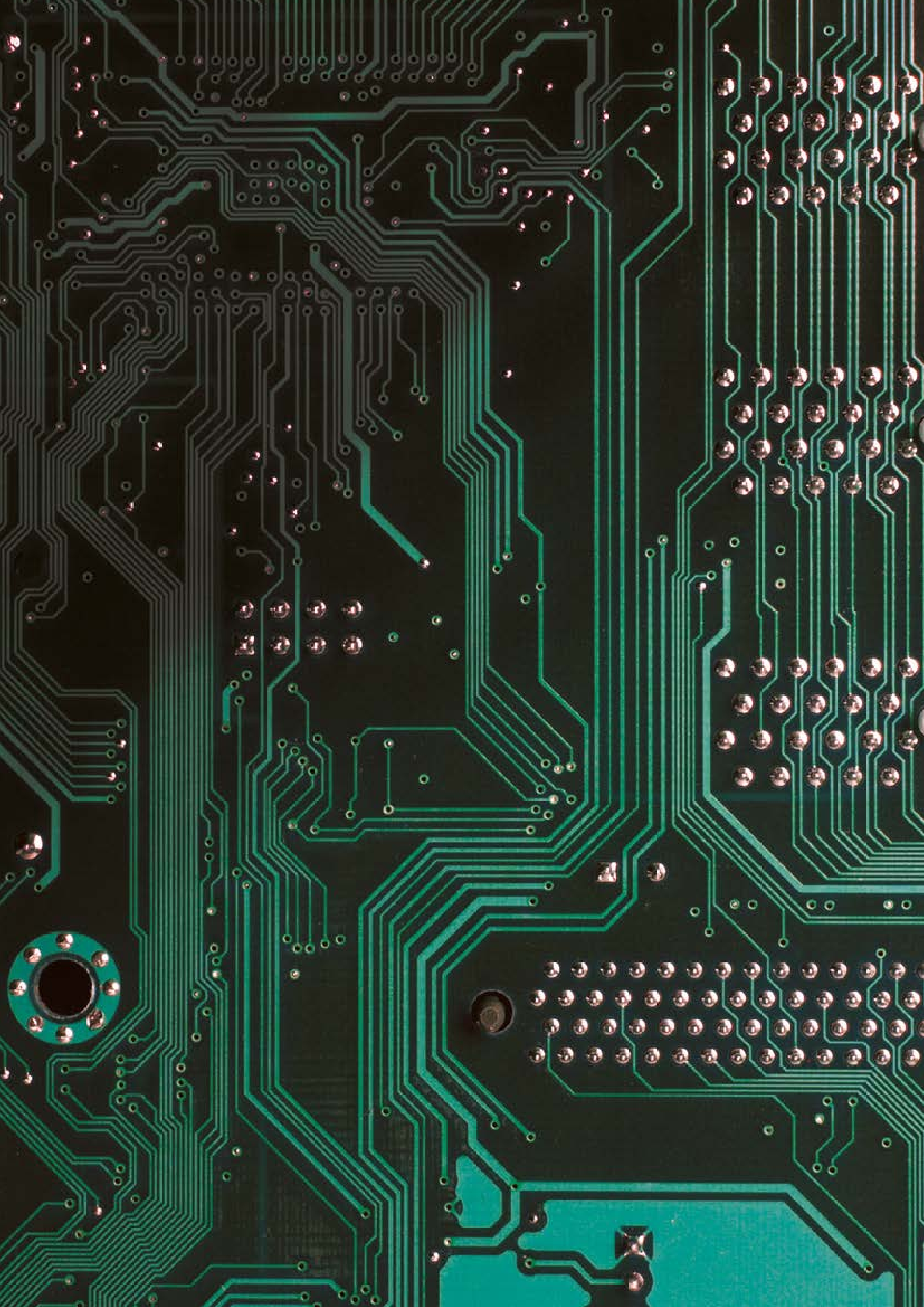

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COMPANY **DETAILS**

GlobalConnect

COMPANY DETAILS

COMPANY NAME	GlobalConnect A/S Hørskætten 3 DK - 2630 Taastrup Denmark

Website:	www.globalconnect.dk

CVR no.:	26 75 97 22
Established:	January 1st 1998
Registered office:	Taastrup
Financial year:	January 1st – December 31st 2012

BOARD OF DIRECTORS	Niels Ravn, Chairman Niels Zibrandtsen, Managing Director Lisbeth Zibrandtsen Michael Potter Agner N. Mark Ole Hvelplund
MANAGEMENT	Niels Zibrandtsen, Managing Director Claus Dindler, Director Peter Olsen, Director Allan V. Reimann, Strategic Financial Director
AUDITORS	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 DK - 1561 København V Denmark
BANK	Nordea Bank Danmark A/S Strandgade 3 DK - 1401 København K Denmark

GROUP STRUCTURE

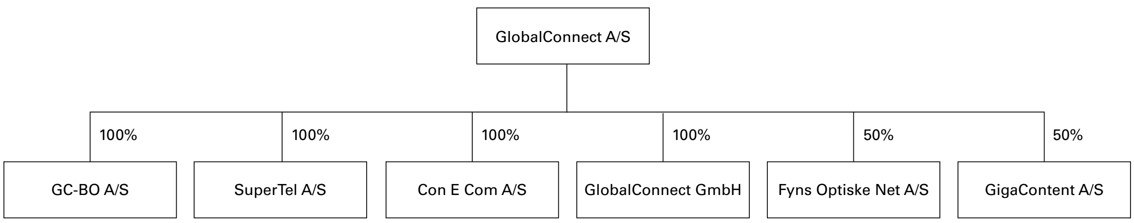
SUBSIDIARIES	Share capital	Share capital in tDKK at closing rate	Ownership
SuperTel A/S	6.250.000 DKK	6.250	100%
GlobalConnect GmbH	25.000 EUR	187	100%
Con E Com A/S	1.152.000 DKK	1.152	100%
GC-BO A/S	500.000 DKK	500	100%
Associated companies			
Fyns Optiske Net A/S	1.500.000 DKK	1.500	50%
GigaContent A/S	1.500.000 DKK	1.500	50%

The following companies are consolidated with 100%:

Subsidiaries
SuperTel A/S
GlobalConnect GmbH
Con E Com A/S
GC-BO A/S

The following companies are consolidated with 50%:

Fyns Optiske Net A/S
GigaContent A/S



General
GlobalConnect A/S has changed accounting policy by recognising associates, Fyns Optiske Net A/S and GigaContent A/S, with 50% line by line in the consolidation. Please refer to the accounting policies.

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STATEMENT **& REPORT**

GlobalConnect

STATEMENT BY BOARD OF DIRECTORS & MANAGEMENT

The Board of Directors & Management have prepared the 2012 Annual Report of GlobalConnect A/S. The Annual Report was considered and adopted today.

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

We consider the accounting policies used appropriate and in our opinion the consolidated financial statements and the financial statements of the parent company provide relevant information for assessing the financial position of the Group and the Parent company. In our opinion the financial statements give a true and fair view of the result, assets, liabilities, financial position and cash flow of the Group and the Parent company for the period January 1st – December 31st 2012.

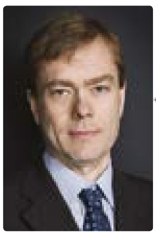
We recommend that the Annual Report is adopted at the annual general meeting.

Taastrup, May 16th 2013

MANAGEMENT

Niels Zibrandtsen
Managing Director

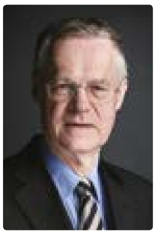
Claus Dindler
Director



Peter Olsen
Director

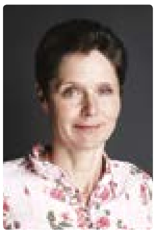
Allan V. Reimann
Strategic Financial Director

BOARD OF DIRECTORS



Niels Ravn
Chairman

Niels Zibrandtsen



Lisbeth Zibrandtsen

Michael Potter

Agner N. Mark

Ole Hvelplund

TO THE SHAREHOLDERS OF GLOBALCONNECT A/S

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and parent company financial statements of GlobalConnect A/S for the financial year January 1st to December 31st 2012, which comprise a summary of significant accounting policies, income statement, balance sheet and notes for the Group as well as for the Parent Company and cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

BOARD OF DIRECTORS' AND BOARD OF EXECUTIVES' RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

The board of directors and board of executives are responsible for the preparation of the 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 the board of directors and board of executives determine is necessary to enable the preparation of the consolidated financial statements and parent company financial statements free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and 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 parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent company 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 the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and board of executives, as well as the overall presentation of the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's position at December 31st 2012 and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the financial year January 1st to December 31st 2012 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 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 parent company financial statements.

Copenhagen May 16th 2013

BDO Statsautoriseret revisionsaktieselskab

Torben Bjerre-Poulsen
State-authorised public accountant

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MANAGEMENT **REVIEW**

KEY FIGURES & RATIOS FOR THE GROUP

	Group 2012 mDKK	Group 2011 mDKK	Group 2010 mDKK	Group 2009 mDKK	Group 2008 mDKK
Income statement					
Net revenue	433,3	440,0	397,9	377,4	368,0
Gross profit	250,4	289,0	271,9	257,8	223,1
Result before depreciations (EBITDA)	128,3	194,6	185,1	172,1	136,1
Operating profit (EBIT)	44,8	120,3	114,8	109,1	72,2
Financial income and expenses, net	-13,8	-15,6	-16,5	-13,8	-16,7
Profit for the year	21,5	74,8	71,6	70,1	39,7
Balance sheet					
Balance sheet total	1.678,0	1.538,0	1.396,0	1.356,8	1.309,6
Equity	523,5	523,9	476,5	416,5	361,2
Cash flows					
From operating activities	61,4	248,1	98,6	119,3	78,2
From investing activities	-183,1	-167,6	-135,0	-77,4	-225,7
Hereof investment in intangible and tangible fixed assets	-181,9	-158,7	-111,2	-111,9	-213,6
From financing activities	118,2	-80,4	5,9	-6,5	148,0
Key figures in %	**2012**	**2011**	**2010**	**2009**	**2008**
Gross margin (gross profit as % of revenue)	57,8	65,7	68,3	68,3	60,6
Profit margin (operating profit as % of net revenue)	10,3	27,3	28,8	28,9	19,6
Rate of return (operating profit as % of average balance sheet total)	2,8	8,2	8,3	8,8	6,1
Equity ratio (equity as % of assets, end of year)	31,2	34,1	34,1	30,7	27,6
Return on equity (profit before tax as % of average equity)	5,9	20,9	22,0	17,7	11,3
Average number of employees	172	139	132	140	142
Average number of employees in associated companies	2	3	-	-	-

In 2012 the GlobalConnect Group has, as a result of determined development of the Group's strategic priorities, achieved satisfying market advantages. GlobalConnect has improved its position as provider of new services within IT- and telecommunications for indirect and direct sales to large enterprises within our focus area, Denmark and Northern Germany. Furthermore, the GlobalConnect Group has extended its activities in Scandinavia as well as internationally.

The Danish telecommunications market was under further pressure during 2012 due to the financial crisis and the Danish regulator, Erhvervsstyrelsen, was challenged in its pursuit to ensure sound competition in the Danish market. Nevertheless, the Group maintained its turnover. EBITDA decreased due to increased activity in the foreign markets and consequent derived leasing agreements, which led to a decrease in our contribution margin; at the same time, the Group again invested in a considerable increase in the number of employees and services. These investments will support our future growth. A substantial increase in order intake was realised already in 2012. This will be reflected in our turnover in the years to come.

In addition, GlobalConnect managed to develop new services and to expand its geographical coverage in Denmark as well as in Germany and is thus covering new, strategically important regions. In Germany a substantial expansion of the network in the Schleswig-Holstein region has been accomplished.

At the end of 2011, GlobalConnect acquired Con E Com A/S, a company offering IT-services. The acquisition strengthens GlobalConnect's services to customers on Funen. At the end of 2012 GlobalConnect and Energi Fyn A/S decided that GlobalConnect should take over Energi Fyn's part of the shares in GigaContent A/S and at the same time, it was decided to split Fyns Optiske Net A/S. The full effect of the split-up is expected to influence our key figures positively. However, the full effect will be visible in the financial report for 2013 and the following years.

FINANCIAL DEVELOPMENTS

The Group's result and financial development is regarded as satisfactory by the management. Despite the challenging macroeconomic development, the Group's net revenue was DKK 433 mill. (2011: DKK 440 mill.) and EBITDA DKK 128 mill. (2011: DKK 195 mill.) In addition, the substantial investment programme continued with DKK 183 mill.

GlobalConnect Group presents positive net earnings before tax (EBT) of DKK 31 mill. (2011: DKK 105 mill.), net earnings after tax of DKK 22 mill. (2011: DKK 75 mill.), the equity is DKK 524 mill.

As a positive consequence of the Group's increasing order intake, a future contracted cash payment (FCCP) of DKK 1.3 billion has been secured, leading to high financial predictability.

ACHIEVEMENTS IN 2012

During 2012 GlobalConnect has further strengthened its position within duct, fibre, transmission, internet, IP telephony together with collocation and hosting facilities and is the preferred alternative provider of network solutions in Denmark and Northern Germany.

The rapid growth of data capacity in Denmark led to an increased build-out of high-capacity fibre network solutions to ensure that GlobalConnect will be able to maintain its high standards for Carrier Class services required by its customers. The company's Carrier Ethernet solutions as well as tele-housing facilities have been further built out in Denmark and Germany. Thus, GlobalConnect is an essential provider of these services.

ORGANISATION

GlobalConnect makes it possible for all employees to develop their competences in order to make a difference through their personal commitment and diversity. We strive to find a reasonable balance between work and leisure and to ensure equal rights to everybody, regardless of gender, ethnic background, etc.

GlobalConnect has focus on the health of our employees; in 2012 we have developed a Long-Term Health Policy (LTH) as an alternative to a stress policy. The aim is to focus on keeping our employees fit and healthy and to create an environment where the employees are aware of the well-being and LTH status of their colleagues. In 2012 our offer for exercise facilities was extended to employees in our offices in Jutland and Germany. Moreover, we have an active staff association, focus on healthy food and we are offering an attractive pension and health insurance.

CUSTOMERS

In 2012, in spite of the difficult economic situation, GlobalConnect experienced a significant and positive development in the number of customers and incoming orders.

MARKET

GlobalConnect has participated in hearings from the Danish Business Authority, ITB, TI and ITEK on developments in the Danish tele-market. The regulatory barriers are highly unpredictable and competition within fixed networks is untenable, which is why the market is experiencing declining investments and thus receding development of new telecommunication services.

Unfortunately, GlobalConnect is noticing a slowdown in the positive development of the Danish tele-market and the tele-operators find it very difficult to obtain attractive profit margins compared to other countries. In GlobalConnect's opinion this is a "market failure" as described in the EU regulations, directive recommendations. GlobalConnect is expecting a more focused and stable regulation of the tele-market, enabling increased competition with the one significant player in the market.

Competition and thus innovation is an important element in the increased challenges for a Denmark which wants to be a globally leading knowledge society.

Competition in the mobile market is intense, requiring further build-out of next generations of mobile networks. GlobalConnect is following this development closely.

A number of the power utility companies have formed a joint marketing company, addressing the private market. The main purpose of this joint company is to improve the power utility companies' market position towards the former state-owned monopolist. However, the former monopolist has still significantly higher revenue and profit compared to its competitors; therefore, the market is expecting further regulation by the Danish Business Authority. Still, the power utility companies do not allow other operators access to their network, thus preventing access to their customers. For society as a whole this is an undesirable utilisation of the common resources, established by a power utility sector based on monopolies. This set-up is creating monopolistic conditions within some regions.

Skyline – a subsidiary in the ELRO Energy Group – went bankrupt, which again lead to ELRO Energi A/S suspending its payments, although legislation has been drawn up to prevent this. As a result, the customers of ELRO Energi A/S lost their independence and have been absorbed by EnergiMidt A/S.

GlobalConnect is working intensely to extend coverage in "suburban Denmark" and has come up with different suggestions for improving the financial situation of the mobile network providers, when infrastructure is to be developed in these areas.

SOCIAL RESPONSIBILITY

GlobalConnect's policies and reporting within this area are based on the UN's Global Compact's ten principles within the areas of human rights, labour (rights), environment and anti-corruption.

GlobalConnect's vision is to be the alternative network service provider in the field of tele- and data communication. Therefore, it is evident for GlobalConnect to involve ourselves in society and the way in which it functions. It is important for GlobalConnect that our surroundings perceive us as socially responsible and committed.

Therefore GlobalConnect's strategy is to develop nationwide coverage of the fibre infrastructure in Denmark and to offer data communication for all Danes via the infrastructure. At the end of 2012, GlobalConnect's 12.000 km of fibre network covers most of Denmark and passes 830.000 households. We will contribute to a cleaner technology and more efficient energy consumption in society through the provision of our products and services. At the same time we are reducing our own CO2 emission as well as the Group's other environmental loading. Purchasing products under appropriate and safe conditions and safeguarding that they are being disposed of in an environmentally sound way is further encouraging this.

GlobalConnect wants to be known as a company, focusing on skilful leadership, employee satisfaction, motivation and a sound environment; at the same time we are developing the competences of our employees, in order for them to make a difference by their personal commitment and diversity.

We support diversity and ensure equal rights for everybody, regardless of gender, ethnic background, etc. and we strive to find a reasonable balance between work and leisure for the individual employee.

In 2012 the level of absence in GlobalConnect due to illness has been 4.8 working days per employee compared to 7.3 working days as an average reported by the Confederation of Danish Industry from its member organisations.

GlobalConnect is continuously working to exert influence on the legislators so that environmental economic sound laws are overruling the economically inexpedient laws. GlobalConnect considers cooperation between public authorities and the industry very important.

In 2012 GlobalConnect has once more chosen to support socially disadvantaged children, giving them access to the digital world by computers as donations. Furthermore, we are working on new projects in cooperation with the Children's IT Foundation. Also in 2012 GlobalConnect supported Team Rynkeby and Børnecancerfonden (Foundation for children with cancer) with a cash sponsorship. GlobalConnect GmbH in Hamburg is supporting a sponsorship scheme with donations for education in developing countries. Last but not least, GlobalConnect is working on a project called "Geeks without Frontiers". The aim of this project is to expand the mobile coverage of telecommunication in developing countries and it is a non-profit project managed by Google and the Manna Energy Foundation in the US.

Furthermore, GlobalConnect has participated actively in Socialt Innovations Forum, an initiative focussing on new social innovation initiatives. This forum was started by Lisbeth Zornig Andersen.

ENVIRONMENT

GlobalConnect has no special environmental issues, but is working on optimising its consumption of energy in order to contribute to minimising the global CO2 emissions and the resulting global climate changes.

RESEARCH AND DEVELOPMENT

GlobalConnect is interested in encouraging investments in the next generation of the IT-society and is therefore involved in organisations working to further these areas e.g. by being actively involved in professional and industrial bodies and boards. GlobalConnect works together with research institutions and development companies in order to support the development of disciplines within the telecommunications and knowledge industry. This work has among others led to cooperation with a number of foreign companies.

PRICE RISKS

The price level of the Group's product offerings is based on supply and demand on the Danish and international telecommunications and data market, and is not exposed to particularly price-related risks. The majority of all contracts conclude over a longer period of time than a single financial year.

CURRENCY RISKS

The main part of GlobalConnect's activities is settled in Danish currency (DKK), but due to activities abroad, the result, cash flow and equity are to some extent influenced by exchange and interest rate developments of the Euro. – It is the Group's policy to cover only commercial currency risks. This is primarily done by forward exchange transactions to hedge expected turnover and purchases within the next 12 months.

INTEREST RISKS

The Group is mainly funded through equity, prepayments from customers and external funding. Interest risks on interest-bearing debt are partly hedged by financial instruments.

FUTURE EXPECTATIONS

The Group is still focused on securing and developing its current market position. In Denmark we are working to increase the amount of products and services in order to improve the satisfaction of our customers. Furthermore, a build-out of GlobalConnect's tele-housing facilities is expected in order to meet the increasing demand. In Germany we are planning to further improve the infrastructure for Mecklenburg-Vorpommern and Schleswig-Holstein and we are investigating how to increase our infrastructure investments in Germany as this is more attractive than investing in Denmark due to the lack of regulatory intention. We will increase our focus on direct sales in Germany.

GlobalConnect will improve support and product portfolio for our partners, improving their competitive edge.

POST BALANCE SHEET EVENTS

No events have occurred from the balance sheet date until the date of signature that could change the assessment of the company's financial position as of December 31st 2012.

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CONSOLIDATED & PARENT COMPANY **FINANCIAL STATEMENT** JANUARY 1ST - DECEMBER 31ST

GlobalConnect

The annual report of GlobalConnect A/S for 2012 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The Group has changed its accounting policy for recognising affiliates. These were not previously in the consolidation. The company's share of net income was recognised under financial income and investments, applying the equity method, were recognised under financial assets.

The associate companies are in 2012 included pro rata in the consolidation. Comparative figures for 2011 have been restated to reflect the new accounting policy.

The change has no effect either on the Group's net profit or equity.

GENERAL ABOUT RECOGNITION OR MEASUREMENT

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely 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 likely that future economic benefits will not flow to the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition or measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company, GlobalConnect A/S and subsidiaries in which GlobalConnect A/S directly or indirectly has controlling influence and associated enterprises in which the group holds between 20 - 50% of the voting rights and where significant influence is exercised.

The consolidated financial statements have been prepared as a summary of the parent company and subsidiaries and associates accounts by aggregating similar accounting items. On consolidation basis, there is full and respectively, pro rata elimination of intercompany income and expenses, shareholdings, balances and dividends and realised and unrealised gains and losses on transactions between the consolidated companies.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiary enterprises' market value of net assets and liabilities at the acquisition date.

Positive differences between acquisition value and market value of acquired and identified assets and liabilities, inclusive of provision for liabilities for restructuring, are recognised in intangible fixed assets as goodwill and amortised systematically in the income statement under an individual assessment of the useful life, however, not more than 20 years. Negative differences which correspond to an expected unfavourable development in the enterprises are recognised as negative goodwill under accruals in the balance sheet and recognised in the income statement as and when the unfavourable development is realised.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.
Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

On recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the balance sheet date. Non-monetary items are translated at the rate at the time of acquisition or at the time of subsequent revaluation or writedown of the asset. The items of the income statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

The income statements of foreign subsidiary enterprises and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date.

Exchange differences arising from translation of the equity of the foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair value adjustments of derivative financial instruments are included in receivables and liabilities, respectively.

Change in the fair value of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability, are recognised in the profit and loss account together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments classified as and meeting the conditions of hedging future assets and liabilities, are recognised in receivables or liabilities and in the equity. If the future transaction results in recognition of assets or liabilities, amounts are transferred, which were recognised in the equity, from the equity and are recognised in the cost price for the asset or the liability respectively. If the future transaction results in income or costs, amounts are transferred, which were recognised in the equity, to the income statement in the period where the hedged influences the income statement.

For derivative financial statements, if any, which do not meet the conditions for treatment as hedging instruments changes in the fair value are currently recognised in the income statement.

Changes in the fair values of derivative financial instruments, applied for the purpose of hedging net investments in independent subsidiaries or associates, are recognised directly in equity.

INCOME STATEMENT

NET REVENUE

The net revenue consists of goods or services provided during the year and recognised in the income statement if supply and risk transfer to purchaser have taken place before the end of the year and if the income can be measured reliably and is expected to be received. The net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

The percentage of completion method is used to determine revenues from work preformed for the account of third party.

The value of transactions, in which rights or ownership in GlobalConnect’s network are exchanged for rights or ownership of corresponding monetary or technical value in networks owned by third party (SWAPS), are not included in the income statement or the balance sheet. The market value, if any, of the exchanged assets is stated in a note.

COSTS OF SALES

Costs of sales are recognised concurrently with the related income and include purchase and cost price for sold goods during the year. Raw material, consumables and indirect production costs are included in the cost price.

DEVELOPMENT COSTS

General developments costs are expensed on a current basis.

OTHER EXTERNAL EXPENSES

Other external expenses consist of sales and development costs, costs for office premises and administration costs.

STAFF COSTS

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are included in staff costs.

INVESTMENTS IN SUBSIDIARY ENTERPRISES AND ASSOCIATES

The income statement of the parent company recognises the proportional share of the results of each subsidiary enterprise after full elimination of internal gains/loss and deduction of amortisation of goodwill.
In the Parent Company income statement the following is recognised, the proportionate share of associates' profit after elimination of the proportionate share of profits / losses and amortisation of goodwill.

FINANCIAL INCOME AND EXPENSES IN GENERAL

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

TAX ON PROFIT FOR THE YEAR

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

GlobalConnect A/S jointly taxed with wholly owned Danish and foreign subsidiary enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

FINANCIAL LEASE

In cases where the Company acts as lessor and leases part of its network on contracts lasting more than 15 years and where all substantial risks and benefits connected to the transfer of ownership are transferred to the lessee, the profit, calculated as the difference between the cost price and the net present value of the future incoming leasing payments and the non-secured scrap value at the end of the contract period, is shown in the income statement.
The net present value of future incoming leasing payments and scrap values with deduction of write-downs on potential unattainable leasing payments are shown in the balance sheet as a financial asset.

Received leasing payments are divided into interest, which are shown in the income statement, and repayments which are set off against the financial leasing receivable.

BALANCE SHEET

INTANGIBLE FIXED ASSETS

The cost price of other intangible assets include purchase price for materials used and services rendered.

Other intangible fixed assets are valued at cost less accumulated amortisation. The amortisation basis is allocated according to the straight-line method over the expected useful life as follows:

- Other intangible fixed assets 5-10 years

The main rule in the Danish legislation regarding depreciations over a 5-year-period is not followed in cases where the useful lifetime of an asset is estimated to be longer.

Development costs include the costs of developing an IP telephony concept. Development costs that are generated internally are measured at cost price adjusted for accumulated depreciation. Development costs are amortised linear over the estimated use of life, which is rated 5 years.

The cost of the development costs are calculated on the basis of employees' scheduled time and other direct development costs.

The development costs, in the financial year, that are not expected to provide future economic returns are recognised in the income statement.

Margin of profit or loss on disposal of intangible assets is calculated as the difference between the selling prices adjusted for selling costs and the carrying amount at the time of sale. Gains or losses are recognised in the income statement under depreciation.

TANGIBLE FIXED ASSETS

The company changed its view upon the lifetime of the company's assets, so that the lifetime is consistent with the in 2005 updated announcement published by The National IT and Telecom Agency.

Properties and buildings, technical plants and equipment, working plants and furniture are valued at cost price less accumulated depreciations. Properties are not depreciated.

The depreciation basis consists of cost price less expected scrap value.

Fibre and transmission equipment, other fixtures and operating equipment are valued at cost less accumulated depreciation.

Cost comprises purchase price and cost directly related to the purchase. Plant and equipment constructed for own purposes are stated as cost. Cost consists of own labour, materials, parts purchased and services rendered by sub-suppliers or contractors, as well as overheads, and capitalised interest for the period of construction. The depreciation basis, which is recorded as purchase price reduced by any scrap value, is determined using the straight-line method over the useful lives of the assets as follows:

Fibre	20 years
Duct	40 years
Sea cable	15 years
Transmission equipment	10 years
Other fixtures and equipment	3-10 years
Housing	15 years
Leasehold improvement	10 years

Leases, which do not fulfil the requirements of financial leasing, are expensed on a current basis. The total commitment is disclosed in the notes of the financial report.

Profit or loss on disposal of tangible fixed assets shall be calculated as the difference between the selling price less selling expenses and the carrying amount at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

FIXED ASSET INVESTMENTS

Investments in subsidiary enterprises and associates are measured in the parent company balance sheet under the equity method.

Investments in subsidiary enterprises and associates are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiary enterprises and associates is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiary enterprises, see description above under consolidated financial statements.

Subsidiary enterprises and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's deficit.

INVENTORY

Inventories are valued at the lower of first-in-first-out (FIFO) cost or purchase price or net realisable value, if this price is lower i.e. due to unsalable goods. The initial cost for merchandise as well as raw materials includes purchase and freight costs.

Cost price of manufactured goods as well as raw materials and consumables includes purchase price for materials, labour and applicable indirect cost of sales.

ACCOUNT RECEIVABLES

Accounts receivable are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Cost price of financial leasing contracts is recorded at the lowest of market value and net present value of the future leasing payments. The net present value is calculated by the use of the leasing contracts internal interest rate as discounting factor.

ACCRUALS

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

DIVIDEND

Proposed dividends are recognised as a liability at the time of the adoption at the extraordinary general meeting (time of declaration). The expected payment of dividend for the year is recognised as a separate item under the equity capital.

TAX PAYABLE AND DEFERRED TAX

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. The tax rate applied for the current year is 25% for Danish companies and 35 % for the German company.

LIABILITIES

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities which include debt to suppliers, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.

Accruals recognised as liabilities include payments received regarding income in subsequent years.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital, corporation tax paid, and payment of dividend to shareholders.

CASH FLOWS FROM INVESTING ACTIVITIES

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

CASH FLOWS FROM FINANCING ACTIVITIES

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt.

CASH AND CASH EQUIVALENTS

Cash include liquid funds.

SEGMENT DETAILS

Information is provided on the business segments and geographical markets. Segment information follows the Group's accounting practices, risks and internal financial management principles.

KEY FIGURES AND RATIOS

The key figures are prepared in accordance with the guidance of The Danish Financial Analyst's Society's "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

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2012 **IN NUMBERS**

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INCOME STATEMENT JANUARY 1ST - DECEMBER 31ST

	Note	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Net revenue	1	**433.331**	**439.999**	**376.808**	**394.020**
Production costs		-120.217	-109.106	-111.051	-106.374
Other external costs		-62.745	-41.878	-46.876	-30.203
Gross profit		**250.369**	**289.015**	**218.881**	**257.443**
Staff costs	2	-122.069	-94.431	-106.392	-86.812
Profit before depreciation (EBITDA)		**128.300**	**194.584**	**112.489**	**170.631**
Depreciation, amortisation and write-down of tangible assets	3	-83.479	-74.278	-76.956	-67.539
Operating profit (EBIT)		**44.821**	**120.306**	**35.533**	**103.092**
Income from investments in subsidiaries		0	0	2.584	7.556
Income from investments in associates		0	0	2.176	1.632
Other financial income	4	6.246	4.451	5.612	3.343
Other financial costs	5	-20.007	-20.024	-18.515	-18.877
Profit before tax (EBT)		**31.060**	**104.733**	**27.390**	**96.746**
Tax	6	-9.552	-29.905	-5.882	-21.918
Profit for the year		**21.508**	**74.828**	**21.508**	**74.828**

Proposed distribution of profit

Reserves for revaluation	-1.125	-1.125
Allocation to reserve for net revaluation under the equity method	4.760	9.188
Dividend for the financial year	18.000	18.000
Retained profit	-127	48.765
Total	**21.508**	**74.828**

ASSETS

	Note	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Consolidated goodwill		3.095	1.443	0	0
Development cost		104	0	0	0
Prepayments regarding rights to use and licenses		40.832	44.176	26.546	28.624
Intangible fixed assets	7	**44.031**	**45.619**	**26.546**	**28.624**
Land & buildings		29.925	9.011	27.559	6.654
Tangible assets under construction		16.029	15.714	14.796	15.036
Fibre/duct		1.029.755	1.003.482	983.809	959.468
Other fixtures and equipment		141.642	123.662	128.892	111.698
Facility housing		138.083	108.665	133.680	105.054
Leasehold improvements		5.330	2.037	2.763	1.942
Tangible assets	8	**1.360.764**	**1.262.571**	**1.291.499**	**1.199.852**
Investments in subsidiaries	9	0	0	28.231	19.967
Investments in associates	9	0	0	35.842	33.667
Receivables regarding financial leases	10	80.951	78.853	36.485	38.036
Deposits		3.301	2.869	2.961	2.742
Fixed assets investments		**84.252**	**81.722**	**103.519**	**94.412**
FIXED ASSETS		**1.489.047**	**1.389.912**	**1.421.564**	**1.322.888**
Inventories		18.682	21.473	17.830	21.106
Inventories		**18.682**	**21.473**	**17.830**	**21.106**
Trade receivables		104.045	96.404	87.271	81.395
Amounts due from subsidiaries		6.797	2.797	74.518	31.016
Other receivables		10.487	3.347	5.687	1.460
Deferred tax asset		2.876	7.687	0	0
Income tax receivable		7.243	0	0	0
Prepayments & accrued income		36.751	10.825	7.190	8.223
Accounts receivables		**168.199**	**121.060**	**174.666**	**122.094**
Cash at banks		2.059	5.541	28	25
Cash and cash equivalents		**2.059**	**5.541**	**28**	**25**
CURRENT ASSETS		**188.940**	**148.074**	**192.524**	**143.225**
ASSETS		**1.677.987**	**1.537.986**	**1.614.088**	**1.466.113**

LIABILITIES

	Note	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Share capital		2.542	2.542	2.542	2.542
Reserve for revaluations		21.089	22.214	21.089	22.214
Reserves for net revaluations under the equity method		0	0	32.773	28.013
Proposed dividend for the financial year		18.000	18.000	18.000	18.000
Retained earnings		481.907	481.149	449.134	453.136
Equity	**11**	**523.538**	**523.905**	**523.538**	**523.905**
Provision for deferred tax	12	195.935	193.415	188.795	187.329
Other provision for liabilities		4.762	4.762	4.762	4.762
Provision for liabilities		**200.697**	**198.177**	**193.557**	**192.091**
Prepayments received		165.001	163.048	143.406	143.914
Debts to bank		323.721	230.252	310.000	212.500
Other long-term liabilities		27.730	5.626	27.730	5.626
Long-term liabilities	13	**516.452**	**398.926**	**481.136**	**362.040**
Current portion of long-term liabilities	13	79.502	98.019	79.502	95.494
Derivative financial instruments		30.957	25.652	30.957	25.652
Debt to bank		161.077	122.249	161.077	122.249
Trade payables		43.163	42.448	29.864	38.795
Amounts due to subsidiaries		6.405	12.817	20.467	4.998
Corporate tax		6.355	12.300	4.416	16.877
Other liabilities		34.812	33.519	28.238	27.762
Accruals and deferred income		75.029	69.974	61.336	56.250
Short-term liabilities		**437.300**	**416.978**	**415.857**	**388.077**
Liabilities		**953.752**	**815.904**	**896.993**	**750.117**
Equity and liabilities		**1.677.987**	**1.537.986**	**1.614.088**	**1.466.113**

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CASH FLOW STATEMENT JANUARY 1ST - DECEMBER 31ST

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Result of the year	21.508	74.828	21.508	74.828
Reversed depreciations of the year	83.479	74.278	76.956	67.539
Costs of prepaid rights	4.186	3.858	4.149	3.782
Profit from affiliates	0	0	-4.759	-9.389
Adjustments for provision of bad debts	467	678	-42	-1.355
Reversed tax on profit for the year	9.552	29.905	5.881	21.918
Corporate tax paid	-15.408	-25.812	-16.877	-7.030
Change in inventory	2.791	-3.680	3.276	-3.540
Change in account receivables	-41.050	-10.963	-9.196	-9.489
Change in short-term portion of long-term debt	-18.517	42.241	-15.992	39.715
Change in account payables	-1.374	22.259	-8.931	14.790
Change in other debt	42.119	58.646	44.390	58.410
Change in intercompany balances	-8.322	874	-33.292	-32.528
Adjustment of residual values, financial leasing	-1.502	0	-1.502	0
Dividend paid in the financial year	-16.570	-19.035	-16.570	6.297
Cash flows from operating activities	**61.359**	**248.078**	**48.999**	**223.948**
Purchase and sale of intangible fixed assets	-1.421	-5.202	-2.071	-3.314
Purchase and sale of tangible fixed assets	-180.477	-153.497	-168.603	-145.148
Purchase and sale of financial fixed assets	-432	-89	-639	584
Change in receivables regarding financial lease	-738	-8.858	3.221	-144
Cash flows from investment activities	**-183.068**	**-167.646**	**-168.092**	**-148.022**
Change in long-term liabilities	118.227	-80.395	119.096	-75.932
Cash flows from financial activities	**118.227**	**-80.395**	**119.096**	**-75.932**
Change in cash	**-3.482**	**37**	**3**	**-6**
Cash as of January 1st	5.541	5.504	25	31
Cash as of December 31st	**2.059**	**5.541**	**28**	**25**

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NOTES

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(1) NET REVENUE

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Revenue distributed on products				
Fibre - use and maintenance, transmission	277.245	282.127	277.497	290.088
Letting out of premises and telehouses incl. power	60.525	52.340	49.866	42.962
Sale of ducts and fibre systems	43.065	61.872	28.820	40.688
Other revenue	52.496	43.660	20.625	20.282
	433.331	**439.999**	**376.808**	**394.020**
Net revenue distributed by type				
Recurring revenue	309.467	298.413	273.801	285.942
Once-off sales of goods and services	123.864	141.586	103.007	108.078
	433.331	**439.999**	**376.808**	**394.020**
Net revenue distributed geographically				
Domestic	319.315	213.509	315.376	317.255
Abroad	114.016	226.489	61.432	76.765
	433.331	**439.999**	**376.808**	**394.020**

(2) STAFF COSTS

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Average number of employees	172	139	153	130
Average number of employees in associated companies	2	3		
Wages and salaries	108.657	83.377	93.851	75.878
Pensions	12.761	10.725	12.209	10.652
Other social security costs	651	329	332	282
	122.069	**94.431**	**106.392**	**86.812**

Total remuneration for the board of directors and management for the financial year amounts to tDKK 9.563.

(3) DEPRECIATION, AMORTISATION AND WRITE-DOWN FOR FIXED ASSETS

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Intangible fixed assets				
Goodwill	719	1.956	0	0
Development costs	63	0	0	0
Rights of use and licenses	370	562	0	0
	1.152	**2.518**	**0**	**0**
Tangible assets				
Leasehold improvements	348	347	313	333
Land & buildings	608	380	608	380
Fibre/duct	45.966	38.607	44.709	37.471
Other fixtures and equipment	21.930	19.602	18.375	16.927
Facility housing	13.475	12.837	12.951	12.428
Capital gains/losses	0	-13	0	0
	82.327	**71.760**	**76.956**	**67.539**
Depreciations, amortisation and write-down of fixed assets in total	**83.479**	**74.278**	**76.956**	**67.539**

(4) OTHER FINANCIAL INCOME

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Bank	94	18	0	0
Subsidiaries	158	141	1.295	0
Trade receivables	44	229	14	216
Cash discounts received	0	2	0	0
Currency adjustment	2.102	882	2.035	861
Interests regarding financial lease agreements	3.768	3.158	2.182	2.245
Cash discounts	80	21	86	21
	6.246	**4.451**	**5.612**	**3.343**

(5) OTHER FINANCIAL COSTS

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Bank	15.267	17.831	15.258	17.609
Bank loans	679	763	0	0
Trade payables	151	25	134	22
Loan costs	2	3	0	0
Subsidiaries	326	143	103	48
Interest corporate tax	1.236	134	714	134
Interest public authorities	1	1	0	0
Currency adjustments	1.541	675	1.502	615
Interest from financial leasing	804	449	804	449
	20.007	**20.024**	**18.515**	**18.877**

(6) TAX OF THE YEAR

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Calculated tax on taxable income of the year	7.951	24.781	4.416	16.498
Adjustment of deferred tax	1.898	5.124	1.466	5.420
Tax adjustment relating to prior years	-297	0	0	0
	9.552	**29.905**	**5.882**	**21.918**

(7) INTANGIBLE FIXED ASSETS

Amounts in tDKK	Group: Other intangible	Group: Consolidated goodwill	Parent company: Other intangible	Parent company: Goodwill
Cost January 1st 2012	62.129	11.259	28.624	0
Additions of the year	2.137	2.371	2.071	0
Disposals of the year	-4.186	0	-4.149	0
Cost December 31st 2012	**60.080**	**13.630**	**26.546**	**0**
Amortisation January 1st 2012	18.748	9.816	0	0
Amortisation regarding disposals of the year	0	0	0	0
Amortisation of the year	396	719	0	0
Amortisation December 31st 2012	**19.144**	**10.535**	**0**	**0**
Carrying amount at December 31st 2012	**40.936**	**3.095**	**26.546**	**0**

(8) TANGIBLE FIXED ASSETS

Amounts in tDKK	Group: Land & buildings	Group: Tangible assets under construction	Group: Fibre/duct	Group: Other fixtures and equipment
Cost January 1st 2012	13.059	15.072	1.287.291	230.066
Additions of the year	21.514	18.811	77.488	38.846
Disposals of the year	0	-17.854	-6.313	0
Cost December 31st 2012	**34.573**	**16.029**	**1.358.466**	**268.912**
Revaluations January 1st 2012	0	0	20.593	37
Revaluations assets sold	0	0	0	0
Depreciation of revaluations	0	0	-701	-37
Revaluations December 31st 2012	0	0	19.892	0
Depreciations January 1st 2012	4.040	0	304.402	105.411
Depreciations regarding disposals of the year	0	0	-1.066	0
Depreciations of the year	608	0	45.267	21.859
Depreciations December 31st 2012	**4.648**	**0**	**348.603**	**127.270**
Carrying amount at December 31st 2012	**29.925**	**16.029**	**1.029.755**	**141.642**

(8) TANGIBLE FIXED ASSETS (continued)

	Parent company			
Amounts in tDKK	Land & buildings	Tangible assets under construc-tion	Fibre/duct	Other fixtures and equipment
Cost January 1st 2012	10.693	15.036	1.237.921	204.116
Additions of the year	21.514	14.796	74.125	35.569
Disposals of the year	0	-15.036	-6.141	0
Cost December 31st 2012	**32.207**	**14.796**	**1.305.905**	**239.685**
Revaluations January 1st 2012	0	0	20.593	37
Revaluations assets sold	0	0	0	0
Depreciation of revaluations	0	0	-701	-37
Revaluations December 31st 2012	**0**	**0**	**19.892**	**0**
Depreciations January 1st 2012	4.040	0	299.046	92.455
Depreciations regarding disposals of the year	0	0	-1.066	0
Depreciations of the year	608	0	44.008	18.338
Depreciations December 31st 2012	**4.648**	**0**	**341.988**	**110.793**
Carrying amount at December 31st 2012	**27.559**	**14.796**	**983.809**	**128.892**

	Group		Parent company	
Amounts in tDKK	Facility housing	Leasehold improve-ment	Facility housing	Leasehold improve-ment
Cost January 1st 2012	217.087	4.827	194.998	4.676
Additions of the year	42.545	3.640	41.239	1.134
Disposals of the year	0	0	0	0
Cost December 31st 2012	**259.632**	**8.467**	**236.237**	**5.810**
Revaluations January 1st 2012	1.584	0	1.584	0
Revaluations assets sold	0	0	0	0
Depreciation of revaluations	-387	0	-387	0
Revaluations December 31st 2012	**1.197**	**0**	**1.197**	**0**
Depreciations January 1st 2012	109.658	2.789	91.190	2.734
Depreciations regarding disposals of the year	0	0	0	0
Depreciations of the year	13.088	348	12.564	313
Depreciations December 31st 2012	**122.746**	**3.137**	**103.754**	**3.047**
Carrying amount at December 31st 2012	**138.083**	**5.330**	**133.680**	**2.763**
Hereof: Financially leased assets	**43.900**	**0**	**43.900**	**0**

(9) FINANCIAL FIXED ASSETS

Amounts in tDKK	Group		Parent company	
	Subsidiaries	Associates	Subsidiaries	Associates
Cost January 1st 2012	0	0	29.499	22.125
Additions of the year	0	0	575	0
Disposals of the year	0	0	-250	0
Cost December 31st 2012	**0**	**0**	**29.824**	**22.125**
Revaluations January 1st 2012	0	0	-9.532	11.541
Exchange rate adjustment to year-end rate	0	0	0	0
Dividend parent company	0	0	0	0
Result of the year before depreciation on goodwill	0	0	7.689	2.176
Equity transactions	0	0	0	0
Revaluation regarding disposal of the year	0	0	250	0
Revaluations December 31st 2012	**0**	**0**	**-1.593**	**13.717**
Carrying amount at December 31st 2012	0	**0**	**28.231**	**35.842**

Investment in subsidiaries are specified as follows (tDKK):

Name	Equity	Result of the year	Ownership	Parent company Equity	Parent company Result
SuperTel A/S	-764	-3.256	100	0	-3.256
GlobalConnect GmbH	28.231	11.036	100	28.231	11.036
Con E Com A/S	-3.372	-1.229	100	0	-1.229
GC-BO A/S	-3.123	-3.248	100	0	-3.248
Goodwill		0	0	0	-719
				28.231	**2.584**

Investments in associates are specified as follows (tDKK):

Name	Equity	Result of the year	Ownership	Group & Parent company Equity	Group & Parent company Result
Fyns Optiske Net A/S	45.054	4.694	50	22.527	2.347
GigaContent A/S	26.612	-343	50	13.315	-171
				35.842	**2.176**

(10) RECEIVABLES REGARDING FINANCIAL LEASE

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Gross receivable from financial lease				
Amounts due within one year (2013)	11.384	10.727	6.263	6.263
Amounts due between 1 and 5 years	48.330	46.214	25.051	25.051
Amounts due after 5 years	39.941	44.279	6.262	12.525
	99.655	**101.220**	**37.576**	**43.839**
Future interest payments, not earned	-28.777	-29.313	-14.746	-17.788
	70.878	**71.907**	**22.830**	**26.051**
Net investments regarding financial lease				
Amounts due within one year (2013)	6.964	6.283	3.375	3.221
Amounts due between 1 and 5 years	32.496	34.251	15.192	18.567
Amounts due after 5 years	33.354	31.373	4.263	4.263
	72.814	**71.907**	**22.830**	**26.051**
Net present value of non-guaranteed scrap values	15.055	13.553	15.054	13.553
	87.869	**85.460**	**37.884**	**39.604**
Accumulated write-down reservations for bad debts on receivable minimum lease				
Provision January 1st	-6.607	-8.922	-1.568	-5.157
Provision of the year	-310	2.315	169	3.589
Provision December 31st	**-6.917**	**-6.607**	**-1.399**	**-1.568**
Receivable regarding financial lease	**80.951**	**78.853**	**36.485**	**38.036**

(11) EQUITY

Amounts in tDKK

Group

	Share capital	Revalua- tion reserve	Net re- valuation under the equity method	Proposed dividend for the year	Retained profit	Total
Equity January 1st 2012	2.542	22.214		18.000	481.149	523.905
Currency adjustment subsidiaries						0
Dividend paid				-18.000		-18.000
Proposed distribution of profit for the year		-1.125		18.000	4.633	21.508
Other adjustments					-3.875	-3.875
Equity December 31st 2012	**2.542**	**21.089**	**0**	**18.000**	**481.907**	**523.538**

Parent company

	Share capital	Revalua- tion reserve	Net re- valuation under the equity method	Proposed dividend for the year	Retained profit	Total
Equity January 1st 2012	2.542	22.214	28.013	18.000	453.136	523.905
Currency adjustment subsidiaries						0
Dividend paid				-18.000		-18.000
Proposed distribution of profit for the year		-1.125	4.760	18.000	-127	21.508
Other adjustments					-3.875	-3.875
Equity December 31st 2012	**2.542**	**21.089**	**32.773**	**18.000**	**453.136**	**523.538**

(11) SHARE CAPITAL

	2012 tDKK	2011 tDKK
Share capital		
2.542.280 A shares, in the denomination of DKK 1.	2.542	2.542
	2.542	**2.542**

Changes in share capital during the last 5 years

Share capital January 1st 2008	2.525
New shares issued in 2008	3
New shares issued in 2009	14
	2.542

(12) PROVISION FOR DEFERRED TAX

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Provision for deferred tax				
Provision for deferred tax comprises deferred tax on intangible fixed assets, tangible fixed assets, financial fixed assets, account receivables, provisions and derivative financial instruments				
Deferred tax January 1st 2012	193.415	188.391	187.329	181.909
Adjustment of deferred tax	2.520	5.024	1.466	5.420
Deferred tax December 31st 2012	**195.935**	**193.415**	**188.795**	**187.329**
Deferred tax				
Intangible fixed assets	0	0	0	0
Tangible fixed assets	114.988	118.163	114.988	114.050
Financial fixed assets	74.821	68.729	67.681	68.518
Accounts receivables	-422	1.298	-422	-392
Provisions	-1.191	-1.191	-1.191	-1.191
Tax losses to be carried forward	0	0	0	-72
Derivatives financial instruments	7.739	6.416	7.739	6.416
	195.935	**193.415**	**188.795**	**187.329**

(13) LONG-TERM LIABILITIES

Amounts in tDKK	Group				
	1/1 2012 total debt	31/12 2012 total debt	Next year's instalment	31/12 2012 long-term debt	Remaining after 5 years
Debt to bank	262.500	353.721	30.000	323.721	190.000
Prepayments received	209.216	201.999	36.998	165.001	60.805
Other long-term debt	7.477	40.234	12.504	27.730	13.265
Group total	**479.193**	**595.954**	**79.502**	**516.452**	**264.070**

	Parent company				
	1/1 2012 total debt	31/12 2012 total debt	Next year's instalment	31/12 2012 long-term debt	Remaining after 5 years
Debt to bank	262.500	340.000	30.000	310.000	190.000
Prepayments received	187.557	180.404	36.998	143.406	51.596
Other long-term debt	7.477	40.234	12.504	27.730	13.265
Parent company total	**457.534**	**560.638**	**79.502**	**481.136**	**254.861**

(14) CONTINGENT LIABILITIES

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Lease commitments	19.916	16.021	18.240	15.455
Rent commitments	61.444	48.837	43.592	37.946
Guarantees to third party	5.238	3.054	5.238	3.054
Securities to the bank: Guarantee regarding subsidiary	2.500	1.000	2.500	1.000
Guarantee provided in tangible assets	328.000	328.000	328.000	328.000
Floating charge	60.000	60.000	60.000	60.000
	477.098	456.912	457.570	445.455

A customer's bankruptcy has filed a claim against the company for partial reimbursement for fibre contracts purchased on IRU-terms of 34.6 mDKK
The Company's management considers the claim unjustified.

Liability of joint taxation.
The Company is taxed jointly with other Danish companies in the group and is liable severally for the taxes relating to the joint taxation.

(15) FEE TO AUDITORS APPOINTED BY THE GENERAL MEETING

	Group 2012 tDKK	Group 2011 tDKK	Parent 2012 tDKK	Parent 2011 tDKK
Fees in total				
Statutory audit	725	665	325	295
Opinion tasks with assurance	232	180	232	180
Other accounting and tax services	613	391	149	391
	1.570	**1.236**	**706**	**866**

(16) FINANCIAL INSTRUMENTS

The company's bank loans are recorded at market conditions.

The company's revenues are mainly in DKK and EUR. Cost of goods and other costs are mainly in DKK. Any unsettled balances in foreign currencies are contained in trade accounts receivables and trade accounts payable.

During the year the company has entered into interest forward instruments. As a consequence hereof a provision of tDKK 30.957 is recognised in the balance sheet as fair value adjustment.

(17) RELATED PARTIES

GlobalConnect A/S' related parties include:

Controlling interests
ZS Holding A/S, Hørskætten 3, 2630 Taastrup, is the principal shareholder.

Ownership
The following shareholders are recorded in the company's register of shareholders as owning more than 5% of the votes or the share capital:

ZS Holding A/S
Denmark

Paradigm Ventures LLC
England

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