



## FINANCIAL **REPORT 2008**



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NIELS ZIBRANDTSEN, CEO



Financial report 2008

# SIGNATURES

...GlobalConnect...  
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## SIGNATURES OF THE MANAGEMENT AND THE BOARD OF DIRECTORS

Today the board and management have discussed and approved the financial report for 2008 and declare that:

The current accounting regulation, including legislation, and Danish accounting standards have been observed.

We regard the applied accounting policies as

appropriate so that the financial statements fairly present the company's assets and liabilities, financial position as well as the net income.

The financial report is recommended for approval at the annual general meeting.

Taastrup, February 23rd, 2009

### BOARD OF DIRECTORS



A handwritten signature in black ink, appearing to read 'Niels Ravn'.

Niels Ravn  
Chairman



A handwritten signature in black ink, appearing to read 'Lisbeth Zibrandtsen'.

Lisbeth Zibrandtsen



A handwritten signature in black ink, appearing to read 'Michael Potter'.

Michael Potter



A handwritten signature in black ink, appearing to read 'Niels Zibrandtsen'.

Niels Zibrandtsen



A handwritten signature in black ink, appearing to read 'Erik Lorenz Petersen'.

Erik Lorenz Petersen



## MANAGEMENT



**Niels Zibrandtsen**  
Chief Executive Officer



**Claus Dindler**  
Vice President, Sales



**Christian Læsø**  
CFO



**Peter Olsen**  
CTO



**Steen Pedersen**  
COO



**Jørn Grankvist**  
CMO



**Claus Lund**  
CRO



**Oliver Beck**  
CEO GlobalConnect GmbH

## INDEPENDENT AUDITOR'S REPORT

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### **TO THE SHAREHOLDERS OF GLOBALCONNECT A/S**

We have audited the Annual Report of Global-Connect A/S for the financial year January 1st – December 31st, 2008, which comprises the Statement of the Board of Directors and Board of Executives on the Annual Report, Management's Review, a summary of significant accounting policies, the income statement, balance sheet, cash flow statement for the year and notes for both the Group and Parent company. The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

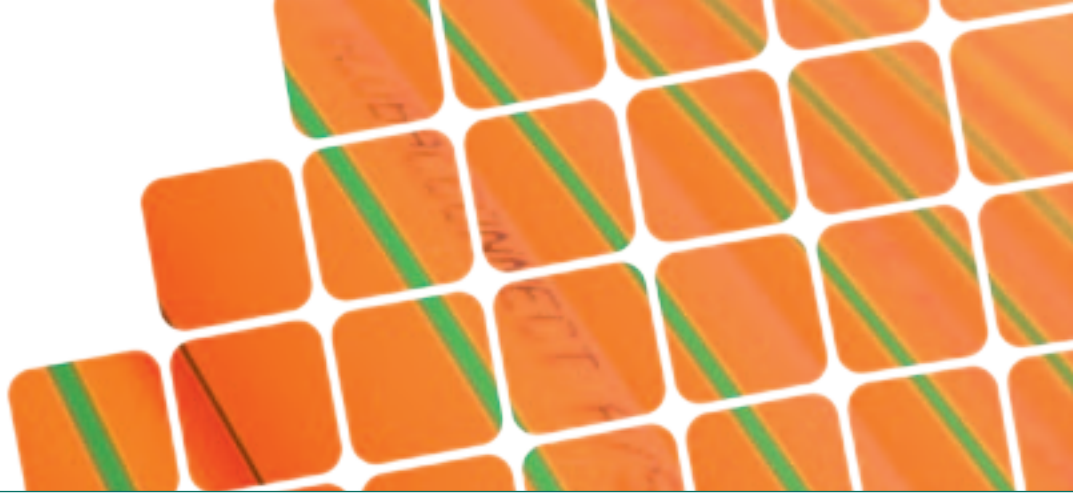
### **THE BOARD OF DIRECTORS AND BOARD OF EXECUTIVES' RESPONSIBILITY FOR THE ANNUAL REPORT**

The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of this Annual Report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **AUDITOR'S RESPONSIBILITY AND BASIS OF OPINION**

Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Report 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 evaluating the overall presentation of the Annual Report.



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

Our audit has not resulted in any qualification.

### **OPINION**

In our opinion, the Annual Report gives a true and fair view of the Group and Parent company's financial positions at December 31st 2008 and of the results of their operations and their cash flows for the financial year January 1st - December 31st, 2008 in accordance with the Danish Financial Statements Act.

Copenhagen, February 23rd, 2009

**RSM plus Statsautoriseret revisionsaktieselskab**

**Torben Bjerre-Poulsen**  
Statsautoriseret revisor  
(State-authorised public accountant)





Financial report 2008

# ANNUAL REPORT

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## COMPANY INFORMATION

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### COMPANY NAME

GlobalConnect A/S  
Hoerskaetten 3  
2630 Taastrup  
Denmark

Phone: +45 77 30 30 00

Telefax: +45 77 30 31 01

Website: [www.globalconnect.dk](http://www.globalconnect.dk)

E-mail: [cfo@globalconnect.dk](mailto:cfo@globalconnect.dk)

CVR.no.: 26 75 97 22

Founded: January 1st, 1998

Registered office: Taastrup, Denmark

Financial year: January 1st – December 31st

### BOARD OF DIRECTORS

Niels Ravn, Chairman of the board  
Lisbeth Zibrandtsen  
Michael Potter  
Erik Lorenz Petersen  
Niels Zibrandtsen, CEO

### MANAGEMENT

Niels Zibrandtsen, CEO  
Claus Dindler, VP sales  
Christian Læsø, CFO  
Peter Olsen, CTO  
Steen Pedersen, COO  
Jørn Grankvist, CMO  
Claus Lund, CRO  
Oliver Beck, CEO GlobalConnect GmbH

### AUDITORS

RSM plus Statsautoriseret Revisionsaktieselskab  
Kalvebod Brygge 45  
1560 København V  
Denmark

### GENERAL MEETING

The annual general meeting was held at the company's address on February 23rd, 2009

## KEY FIGURES

(Group, mDKK)	<b>Group</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>	<b>Group</b>
	2008	2007	2006	2005	2004
	mDKK	mDKK	mDKK	mDKK	mDKK
<b>Profit &amp; loss account</b>					
Net revenue	368,0	284,0	256,9	223,6	136,1
Gross profit	223,1	172,1	162,3	148,0	91,7
Operating income before depreciations (EBITDA)	136,1	111,3	116,4	110,8	63,0
Operating income (EBIT)	72,2	59,6	72,9	72,6	24,1
Net financial expenses/income	-16,7	-12,8	-7,5	-14,9	-17,2
Net income	39,7	47,0	50,1	50,1	4,2
<b>Balance</b>					
Balance sheet	1309,6	1119,0	992,3	867,0	796,9
Equity	361,2	340,3	320,7	267,7	204,3
<b>Cash flow</b>					
Cash flow from operating activities	78,2	225,4	40,6	111,8	46,8
Cash flow from investing activities	-229,9	-178,9	-154,5	-72,1	-50,5
Hereof investment in intangible and tangible assets	-217,8	-163,9	-154,5	-72,1	-43,5
Cash flow from financing activities	152,2	-43,9	113,1	-40,4	4,7
<b>Employees</b>					
Average number of full-time employees	142,0	102,2	80,0	61,0	56,0
<b>Key figures in percent *)</b>					
Gross profit margin	60,6	60,6	63,2	66,2	67,4
Profit ratio	19,6	21,0	28,4	32,5	17,7
Rate of return	6,1	6,0	8,4	10,5	3,5
Equity share	27,6	30,4	32,3	30,9	25,6
Return on equity share	14,0	17,3	19,1	21,5	2,1

\*) Key figures are prepared in accordance with The Danish Financial Analysts Society's "Recommendations & Key Figures 2005". For definition of key figures please refer to the section regarding key figures under "Accounting policies applied".

## MANAGEMENT REPORT

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### MAIN ACTIVITIES

In 2008 the GlobalConnect Group has continued the positive development from 2006 and 2007 and has strengthened the Group's position in the market as an alternative supplier of wholesale services for the tele and data communication market in Denmark, Southern Sweden and Northern Germany.

2008 brought a strong organic growth as a consequence of a number of acquisitions in 2007, and a positive development in the Group's core business - a development which was as expected. The growth has led to a substantial increase in revenues and EBITDA.

The Group's infrastructure has been built out and a strong Carrier Class IP telephony and internet solution have been launched.

### FINANCIAL DEVELOPMENTS

The Group's result and financial development were better than expected, and the Management regards the development as very satisfactory.

The Group's net revenue increased to DKK 368 mill. which is an increase of 30%. At the same time the Group is able to present operating income before depreciations (EBITDA) of DKK 136 mill. compared to DKK 111 mill. in 2007. The Group is able to present net earnings before tax of DKK 58 mill. (EBT) compared to DKK 47 mill. in 2007. Net earnings after tax are DKK 40 mill.

compared to DKK 47 mill. in 2007.

The Group equity has in 2008 increased by 6% to DKK 361 mill. after provision for negative market value on the financial instruments of DKK 11 mill.

In 2008 the share capital of the Parent company was increased by DKK 3.300 through exercise of employee warrants.

### 2008 ACHIEVEMENTS

During 2008 the Group has further developed its duct, fibre, transmission and collocation capacity and has become the only alternative countrywide supplier of dark fibre services.

Build-out of the fibre network in the cities in Northern Germany has been successfully executed as planned, positioning GlobalConnect German subsidiary as a strong infrastructure provider in this market.

Additional services have been further developed in the area of very high capacity 400 Gbps transmission systems. GlobalConnect has developed its IP Layer II network substantially and has a countrywide presence with its carrier class services. The Group's telehousing and hosting have been expanded to cope with the market demands including Tier 3 services.

GlobalConnect has developed carrier class IP Transit and IP Access services to support its customers, enabling GlobalConnect and its



partners to provide a full service solution to corporate customers.

### **ORGANISATION**

GlobalConnect has established a Human Resource function to secure access to the limited human resources. The HR function also secures that the employees in the Group maintain their leading edge knowledge to fulfil the overall strategy of GlobalConnect.

### **CUSTOMERS**

The Group experiences a positive growth in its customer base which doubled this year.

### **MARKET**

The Danish market experiences some turbulence as a consequence of the financial crisis and the power utility sector's focus on the market where the Group is well positioned across the markets.

### **RESEARCH AND DEVELOPMENT**

GlobalConnect is involved in promoting investments and supports research in next generation IT society and is also involved in seed capital investment activities as well as support to export promotion for Small and Medium Enterprises.

The Group is promoting development of next generation network operating systems such as GRID, cluster and cloud computing in which the Danish research society has a leading role worldwide.

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## **RISKS**

### **PRICE**

The price level of the Group's product offerings is based on supply and demand.

The Group is not exposed to any special price-related risk and the larger part of the contracts is signed for a longer period of time that exceeds a single financial year.

### **CURRENCY**

The main part of the Group's activities is in Danish currency, but due to activities abroad, the result, cash flow and equity are influenced by the development in the euro currency and interest rates. It is the Group's policy to cover commercial currency risks. This is primarily done by forward exchange transactions to cover expected turnover and purchase within the next 12 months.

### **ENVIRONMENT**

The Group has no special environmental issues, however, the Group is working on optimising the use of energy in order to contribute to minimising the global CO2 leak and the following global climate changes.

### **THE EXPECTED DEVELOPMENT**

In the near future the Group will focus on securing its market position and continue the development by customer driven growth.

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

## **POST BALANCE SHEET EVENTS**

From the balance sheet date until the date of signature no events have occurred that could materially change the evaluation of the financial statement.





**Usynligt Laserlys**



Financial report 2008

# FINANCIAL STATEMENTS

JANUARY 1<sup>ST</sup> - DECEMBER 31<sup>ST</sup>, 2008

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## ACCOUNTING POLICIES APPLIED

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The annual report has been prepared in accordance with the Danish accounting legislation for a middle-size class C-company.

The accounting policies applied are unchanged since last year.

The annual report for 2008 is presented in DKK 1.000.

### **RECOGNITION AND MEASUREMENT**

Revenues are recognised in the income statement when earned, which includes recognition of value adjustment of financial assets and liabilities. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciations and amortisation.

Assets are recognised in the balance sheet when it is likely that future financial advantages will accrue to the company and the value of the asset is measurable in a reliable way.

Liabilities are recognised in the balance sheet when it is likely that future financial advantages will be denied the company and the value of the liability is measurable in a reliable way.

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirms or invalidates affairs and conditions existing at the balance sheet date.

### **FOREIGN CURRENCIES**

Transactions in foreign currencies are recorded at the transaction dates' rates of exchange. Exchange adjustments, which occur between the transaction date and the date of payment, are reflected in the income statement as a financial entry.

Receivables and payables in foreign currencies, which have not been settled at the balance sheet date, are converted into DKK at the official rates of exchange at the balance sheet date.

Exchange adjustments, which occur between the transaction date and the date of payment, are reflected in the income statement as a financial entry.



Fixed assets purchased in foreign currency are recorded at the transaction dates' rates of exchange.

On recognition of foreign subsidiaries of the Company that are separate legal entities, income statements are translated at average exchange rates, whereas balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments, arising from the translation of the opening equity of independent foreign enterprises and exchange adjustments arising from the translation of the income statement of independent foreign enterprises, are recognised directly in equity.

#### **DERIVATIVE FINANCIAL INSTRUMENTS**

Initially derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included as prepayments and liabilities, respectively.

Changes in the fair value of the derivative financial instruments, which are designated and qualify as fair value hedges of a recognised asset or a recognised liability, are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments, that are designated and qualify as hedges of expected future transactions relating to assets and liabilities, are recognised in prepayments or liabilities and retained earnings under equity respectively. If the expected future transaction results in the recognition of assets or liabilities, amounts deferred in equity are transferred from equity and recognised in the cost of asset or the liability, respectively.

Amounts deferred in equity are transferred to the income statement in the period in which the hedged items affect the income statement.

For derivative financial instruments not qualifying as hedges instruments, the change in the fair value is recognised in the income statement continuously.

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

## **INCOME STATEMENT**

### **INCOME RECOGNITION**

Net revenues consist of goods and services provided during the year and are recognised if delivery and passing of risk have taken place before year end and if the sales price has been determined and can be expected to be received. The net revenues are recognised exclusive of VAT and discounts given.

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

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 parties (SWAPS), is not included in the income statement or the balance sheet. The market value of the exchanged assets is stated in a note.

### **COST OF SALES**

Cost of sales is recognised concurrently with the related income and includes purchase and cost price for goods sold during the year. Raw materials, consumables, and indirect production cost are included in the cost price.

### **DEVELOPMENT COST**

General development cost is expensed on a current basis.

### **OTHER EXTERNAL EXPENSES**

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

### **WAGES, SALARIES AND SOCIAL EXPENSES**

Consists of salaries, pensions and other social expenses.

### **FINANCIAL ITEMS**

Interest and other financial income and expenses comprise interest and exchange rate adjustments, realised as well as unrealised, and amortised interest from financial assets.

### **EXTRAORDINARY INCOME AND EXPENSES**

Extraordinary income and expenses consist of items, which clearly deviate from the ordinary operating activities and which are expected to be non-recurrent.

### **CORPORATE INCOME TAX AND DEFERRED TAX**

The tax provision includes the current tax for the year and the change in the deferred tax of the year. Additions, deductions and allowances related to the Danish on-account tax scheme are included under financial items.

Current tax obligations are recorded in the balance sheet as short term liabilities to the extent that they have not been paid.



The deferred tax obligation is recognised as the tax on all temporary differences between net carrying value and net tax value of assets and liabilities at the balance sheet day.

The provision for deferred tax reflects the effect of tax loss carry-forwards to the extent that such losses can be utilised against future taxable income. Under the same assumption deferred tax assets are capitalised as a financial asset.

### **FINANCIAL LEASING**

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 writedowns 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.

## THE 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 situations where the useful lifetime of an asset is estimated to be longer.

### 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 lifetime 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.



## **INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES**

The proportional part of the operating income after tax from each subsidiary is included in the income statement of the Parent company after full elimination of internal profit/loss and deduction of amortisation of goodwill.

Extraordinary items and tax from the subsidiaries are included under extraordinary items and corporate tax respectively.

Investments in subsidiaries and associated enterprises are taken into the balance sheet at the value of each enterprise's equity based on the Parent company's applied accounting policies. Intercompany earnings and losses including scrap value of goodwill are eliminated using the purchase method.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or actual obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity, when the booked value exceeds the purchase price, less amortisation of goodwill.

Newly acquired enterprises are included in the consolidated financial report from the time of

acquisition while enterprises disposed of are included up to the time of disposal.

Profits or losses on disposal of subsidiaries or associates are calculated as the difference between the sales sum and the carrying amount of net assets at the time of the sale, including unamortised goodwill and expected sales cost. Profits or losses are recognised in the income statement.

In connection with the acquisition of subsidiaries and associated enterprises the assets and liabilities are valued at the current value using the purchase method.

Provisions for restructuring cost in the acquired enterprise are made at the time of the purchase. Regarding tax issues concerning revaluations, see the below description of goodwill.

The excess of cost price over fair values of acquired assets and liabilities is capitalised as goodwill.

Positive differences (goodwill) are recognised in "Investments in subsidiaries" and are amortised in the income statement on a straight-line basis over estimated useful life, which is determined on the basis of management's experience in the area.

The amortisation period does not exceed 15 years. Subsidiaries with a strong market position and long earning profile purchased for

strategic reasons will have the longest amortisation periods.

The value of the goodwill is assessed on a continuing basis and is written down if the booked value exceeds the future expected revenue for the subsidiary.

### **INVENTORIES**

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 unsaleable 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.

### **ACCOUNTS RECEIVABLES**

Receivables are recorded in the balance sheet at net realisable value. Reserves for the uncollectible account are recorded based on an individual evaluation of each receivable.

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 included under assets contain expenses paid, regarding the following year.

### **FINANCIAL LIABILITIES**

Financial liabilities are recognised at the transaction date at the current value, less transaction expenses. In the following periods the financial liabilities are recognised at amortised cost equal to the capitalised value when using yield, so that the difference between current value and the nominal value is recognised in the income statement.

Furthermore, capitalised leasing liabilities on financial leasing contracts are recognised in the financial liabilities.

Other liabilities, which consist of debt to suppliers, subsidiaries, associated enterprises and other debt, are measured at amortised cost, which normally equals the nominal value.

### **ACCRUALS**

Accruals included under liabilities comprise payments received regarding revenues belonging to the following financial year.

### **CASH FLOW STATEMENT**

The cash flow statement for the Group and Parent company is prepared in accordance with the indirect method based on the net income of the companies.



The cash flow statement shows the Group's and the Parent company's cash flows for the year characterised as operating activities, investments and financing activities and shows how the cash flows have influenced the year's cash and cash equivalents.

Cash flow from the operating activity is recorded as the result of the net income adjusted for non-cash operation items such as depreciations/amortisations, writedowns and provisions as well as for changes in the net working capital, interest payable and receivable, and paid corporate income tax.

Cash flow from the investment activities includes cash flows from purchase and sale of intangible, tangible and financial fixed assets.

Cash flow from the financing activities includes cash flows from increasing and repayment of long term debt, prepayments from customers, as well as payment of dividends to or contribution from shareholders.

Cash and cash equivalents include liquid funds as well as marketable securities to the extent that they are part of the company's cash management.

## KEY FIGURES

Key figures are prepared in accordance with The Danish Financial Analysts' Society's "Recommendations & Key Figures 2005".

The key figures are calculated as follows:

### Gross profit margin

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

### Profit ratio

$$\frac{\text{Operating income} \times 100}{\text{Net revenue}}$$

### Rate of return

$$\frac{\text{Operating income} \times 100}{\text{Average operative assets}}$$

### Equity share

$$\frac{\text{Equity excluding minority shareholders, closing} \times 100}{\text{Total liabilities, closing}}$$

### Result for analysis

Net Income (after tax) deducted with minority interest's share

### Return on equity share

$$\frac{\text{Result for analysis} \times 100}{\text{Average equity excluding minority share}}$$

## **BASIS OF CONSOLIDATION**

The financial report comprises the Parent company GlobalConnect A/S and the subsidiaries GlobalConnect GmbH, GC Property A/S and SuperTel A/S.

On consolidation, elimination is made of inter-company income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The financial reports used for the purpose of the financial report of the Group have been prepared in accordance with the accounting policies of the Group. The financial report of the Group has been prepared on the basis of the financial report of the Parent company and subsidiaries by combining accounting items of a uniform nature.

The Parent company's investments in the consolidated subsidiaries and associated companies are set off against the Parent company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost of acquisition and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method) and allowing for the recognition of any restructuring provisions relating to the enterprise acquired.

Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated lifetime, but not exceeding 15 years.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted for a period of up to one year following the time of the acquisition.







Financial report 2008

# 2008 IN NUMBERS



## INCOME STATEMENT

Group 2007 tDKK	Group 2008 tDKK		Note	Parent 2008 tDKK	Parent 2007 tDKK
284.038	367.951	Net revenue	1	330.462	256.675
-39.296	-40.123	Cost of sales		-39.507	-31.278
-72.691	-104.774	Other external expenses		-86.558	-69.081
172.051	223.054	<b>Gross profit</b>		204.397	156.316
-60.718	-86.911	Wages, salaries and social expenses	2	-76.294	-56.017
111.334	136.143	<b>Operating income before depreciation and amortisation (EBITDA)</b>		128.103	100.299
-51.711	-63.979	Depreciation and amortisation	3	-53.818	-48.240
59.623	72.164	<b>Operating income (EBIT)</b>		74.285	51.059
0	0	Result from investments in subsidiaries	8	-5.223	4.147
808	2.967	Result from investments in associated companies	8	2.967	808
6.119	7.870	Interest and other financial income	10	7.115	6.180
-18.923	-24.534	Interest and other financial expenses	11	-25.388	-19.709
47.627	58.465	<b>Income before income tax (EBT)</b>		53.756	43.485
-626	-18.765	Corporate tax	12	-14.057	3.516
47.001	39.700	<b>Net income</b>		39.700	47.001

	2008 tDKK
<b>Disposal of the result of the year</b>	
Transferred for revaluation surplus	-1.478
Net revaluation according to the equity method	-2.274
Retained earnings	43.452
	<u>39.700</u>

## ASSETS

Group 2007 tDKK	Group 2008 tDKK		Note	Parent 2008 tDKK	Parent 2007 tDKK
11.248	8.966	Goodwill	4	0	0
34.996	28.848	Rights to use and licenses		23.150	26.701
46.244	37.814	<b>Intangible fixed assets</b>		23.150	26.701
1.530	1.344	Leasehold improvements	5	1.206	1.499
50.823	58.115	Tangible fixed assets under construction	6	58.115	50.823
828.057	980.887	Fibres, transmission equipment and other equipment	6	963.356	809.662
880.410	1.040.346	<b>Tangible fixed assets</b>		1.022.677	861.984
0	0	Investment in subsidiaries	8	21.420	24.209
12.525	29.579	Investment in associated companies	8	29.579	12.525
67.328	63.190	Financial leasing receivable	7	63.190	67.328
1.926	2.186	Deposits		2.331	2.009
3.750	3.750	Tax assets		0	0
13.865	13.865	Treasury shares	9	13.865	13.865
99.394	112.570	<b>Financial fixed assets</b>		130.385	119.936
1.026.049	1.190.730	<b>Total fixed assets</b>		1.176.211	1.008.621
13.726	14.236	Inventories		14.152	13.610
13.726	14.236	<b>Inventories</b>		14.152	13.610
63.040	83.672	Trade accounts receivable		58.232	41.755
4.934	5.209	Amounts owed by Group companies		8.579	26.367
2.918	3.710	Other accounts receivable		3.239	1.247
4.237	7.464	Prepaid expenses		5.733	3.980
75.129	100.055	<b>Receivables</b>		75.783	73.349
4.056	4.594	<b>Cash and cash equivalents</b>		575	1.238
92.911	118.885	<b>Total current assets</b>		90.510	88.197
1.118.960	1.309.615	<b>Total assets</b>		1.266.722	1.096.817

## LIABILITIES

Group 2007 tDKK	Group 2008 tDKK		Note	Parent 2008 tDKK	Parent 2007 tDKK
2.525	2.528	Common shares	14	2.528	2.525
26.352	24.874	Revaluation surplus	16	24.874	26.352
0	0	Net revaluation according to the equity method	17	11.580	10.834
13.865	13.865	Reserve own shares	8	13.865	13.865
289.550	319.924	Retained earnings	18	308.345	278.716
8.000	0	Recommended dividend for the financial year	16	0	8.000
<b>340.292</b>	<b>361.192</b>	<b>Group net equity</b>		<b>361.192</b>	<b>340.292</b>
138.207	155.504	Deferred tax provisions	12	148.407	134.220
5.850	6.166	Guarantee liability	13	6.166	5.850
<b>144.057</b>	<b>161.670</b>	<b>Total provisions</b>		<b>154.573</b>	<b>140.070</b>
107.664	144.354	Prepayments from customers	19	115.996	91.823
201.953	315.242	Bank loans	19	312.500	197.434
1.884	625	Financial leasing debts		0	0
461	11.113	Other long-term debts	19	11.113	376
<b>311.962</b>	<b>471.334</b>	<b>Long-term debts</b>		<b>439.609</b>	<b>289.633</b>
179.615	173.579	Maturities of long-term debts	19	163.273	54.968
1.617	1.137	Financial leasing debts, short-term part		0	0
60.684	49.718	Trade accounts payable		41.791	56.288
7.189	2.389	Amounts owed to Group companies		34.181	40.494
295	1.014	Company tax		0	0
73.249	87.581	Other accounts payable		72.102	56.463
<b>322.649</b>	<b>315.418</b>	<b>Total short-term debt</b>		<b>311.347</b>	<b>326.822</b>
<b>634.611</b>	<b>786.752</b>	<b>Total debt</b>		<b>750.956</b>	<b>616.455</b>
<b>1.118.960</b>	<b>1.309.615</b>	<b>Total liabilities</b>		<b>1.266.722</b>	<b>1.096.817</b>
		<b>Contingent liabilities</b>	20		
		<b>Related party transactions</b>	21		
		<b>Financial instruments</b>	22		

## CASH FLOW STATEMENT JANUARY 1<sup>ST</sup> - DECEMBER 31<sup>ST</sup>, 2008

Group 2007 tDKK	Group 2008 tDKK		Note	Parent 2008 tDKK	Parent 2007 tDKK
47.001	39.700	Net income		39.700	47.001
51.711	63.979	Depreciation and amortisation	3	53.818	49.239
10.368	34.916	Other adjustments	21	39.171	2.253
128.768	-42.578	Change in working capital	22	-25.508	123.660
<b>237.848</b>	<b>96.017</b>	<b>Cash flow from operating activities before net financials</b>		<b>107.181</b>	<b>222.153</b>
6.119	7.870	Interest and other financial income received		7.115	6.180
-17.883	-24.908	Interest and other financial expenses paid		-25.761	-18.669
<b>226.084</b>	<b>78.979</b>	<b>Cash flow from operating activities before tax</b>		<b>88.534</b>	<b>209.664</b>
-705	-749	Corporate income tax paid		0	0
<b>225.379</b>	<b>78.230</b>	<b>Cash flow from operating activities</b>		<b>88.534</b>	<b>209.664</b>
-13.602	235	Investment in intangible assets		1.092	-5.908
-150.308	-218.003	Investment in tangible assets	5	-214.512	-145.246
-14.998	-12.083	Investment in financial assets	7	-18.538	-15.965
<b>-178.908</b>	<b>-229.851</b>	<b>Cash flow from investing activities</b>		<b>-231.958</b>	<b>-167.119</b>
-16.831	148.450	Proceeds from long-term debt		139.053	-13.940
3.753	4.138	Proceeds from financial leasing		4.138	3.753
-32.164	-570	Dividend		-570	-32.164
1.302	140	Proceeds from issue of shares		140	1.302
<b>-43.941</b>	<b>152.158</b>	<b>Cash flow from financing activities</b>		<b>142.761</b>	<b>-41.049</b>
2.530	538	Increase/decrease in cash and cash equivalents		-662	1.496
1.526	4.056	Cash and cash equivalents at January 1st 2008		1.238	-258
<b>4.056</b>	<b>4.594</b>	<b>Cash and cash equivalents at December 31st 2008</b>		<b>575</b>	<b>1.238</b>





Financial report 2008

# NOTES

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## (1) NET REVENUES

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		<b>Revenue distributed on products</b>		
137.045	206.327	Fibre - use and maintenance, transmission	157.439	111.591
23.586	26.418	Rental of premises and telehouses incl. power	20.964	19.267
82.196	100.192	Sale of ducts and fibre systems	98.648	81.804
41.211	35.014	Other revenue	53.411	44.013
<b>284.038</b>	<b>367.951</b>		<b>330.462</b>	<b>256.675</b>
		<b>Revenue distributed by type</b>		
160.630	232.744	Recurring revenue	205.108	152.865
123.408	135.206	Once-off sales of goods and services	125.353	103.810
<b>284.038</b>	<b>367.951</b>		<b>330.462</b>	<b>256.675</b>

## NON-CASH TRANSACTIONS

Infrastructure/capacity swap. In areas with several providers of infrastructure it is the practice to arrange for the exchange of telecommunication services. In this way, excess capacity in one's own network can be traded for products with another provider for mutual benefit. Since SWAP deals involve assets of the same value and nature, GlobalConnect has chosen not to include identical values of exchanged services and goods in the company's financial report. In 2008 GlobalConnect A/S entered into non-cash transactions at a market value not exceeding DKK 20 mill.

## (2) WAGES, SALARIES AND SOCIAL EXPENSES

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
54.104	80.936	Wages and salaries etc.	71.338	49.910
6.360	5.613	Pensions	4.700	5.859
254	363	Social expenses	256	248
<b>60.718</b>	<b>86.912</b>		<b>76.294</b>	<b>56.017</b>
<b>102</b>	<b>142</b>	Average number of employees	<b>118</b>	<b>95</b>

The management and board of directors have in 2008 been remunerated with tDKK 4.041.

### (3) DEPRECIATIONS FIXED ASSETS

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		<b>Intangible assets</b>		
999	2.095	Goodwill	0	0
0	256	Rights to use	0	0
0	3.562	Licenses	0	0
999	5.912		0	0
		<b>Tangible assets</b>		
283	306	Leasehold improvement	294	283
30.963	36.330	Fibre	36.330	30.963
9.272	9.131	Land & facility housing	6.977	7.494
10.193	12.300	Other equipment and furniture	10.218	9.500
50.712	58.067		53.818	48.240
51.711	63.979		53.818	48.240

### (4) GOODWILL

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
0	12.244	Cost January 1st	0	0
12.244	0	Additions of the year	0	0
0	-886	Disposals of the year	0	0
12.244	11.359	<b>Cost December 31st</b>	0	0
0	-999	Amortisation January 1st	0	0
-999	-2.095	Amortisation of the year	0	0
0	701	Amortisation regarding disposal	0	0
-999	-2.393	<b>Amortisation December 31st</b>	0	0
11.245	8.966	<b>Net book value December 31st</b>	0	0

## (5) LEASEHOLD IMPROVEMENT

<b>Group</b> 2007 tDKK	<b>Group</b> 2008 tDKK		<b>Parent</b> 2008 tDKK	<b>Parent</b> 2007 tDKK
2.534	2.965	Cost January 1st	2.934	2.534
431	151	Additions of the year	0	400
0	-31	Disposals of the year	0	0
<b>2.965</b>	<b>3.085</b>	<b>Cost December 31st</b>	<b>2.934</b>	<b>2.934</b>
-1.152	-1.436	Amortisation January 1st	-1.434	-1.151
-283	-306	Amortisation of the year	-294	-283
0	0	Amortisation regarding disposal	0	0
<b>-1.436</b>	<b>-1.742</b>	<b>Amortisation December 31st</b>	<b>-1.728</b>	<b>-1.435</b>
<b>1.530</b>	<b>1.344</b>	<b>Net book value December 31st</b>	<b>1.206</b>	<b>1.499</b>

## (6) TANGIBLE FIXED ASSETS

### Parent

Amounts in tDKK					Total
	Fibre/duct	Facility housing	Other equipment and fixtures	Assets under construction	
Cost January 1st	845.787	106.852	101.896	50.823	1.105.358
Additions of the year	199.537	13.229	31.634	58.115	302.515
Disposals of the year	-38.720	-793	0	-50.823	-90.336
<b>Cost December 31st</b>	<b>1.006.604</b>	<b>119.288</b>	<b>133.530</b>	<b>58.115</b>	<b>1.317.536</b>
Additions January 1st	26.378	5.095	1.743	0	33.216
Depreciations January 1st	-2.981	-1.959	-1.923	0	-6.863
Depreciations of the year	-701	-392	-385	0	-1.478
<b>Appreciations December 31st</b>	<b>22.696</b>	<b>2.743</b>	<b>-565</b>	<b>0</b>	<b>24.874</b>
Depreciations January 1st	-184.300	-50.525	-36.401	0	-271.226
Depreciations of the year	-35.629	-6.585	-9.833	0	-52.047
Depreciations regarding disposals	2.333	0	0	0	2.333
<b>Depreciations December 31st</b>	<b>-217.596</b>	<b>-57.111</b>	<b>-46.234</b>	<b>0</b>	<b>-320.940</b>
<b>Net book value December 31st</b>	<b>811.704</b>	<b>64.920</b>	<b>86.732</b>	<b>58.115</b>	<b>1.021.471</b>

## (6) TANGIBLE FIXED ASSETS

### Group

Amounts in tDKK					Total
	Fibre/duct	Land & Facility housing	Other equipment and fixtures	Assets under construction	
Cost January 1st	845.787	135.862	106.734	50.823	1.139.206
Additions of the year	199.537	16.539	31.704	58.115	305.895
Disposals of the year	-38.720	-793	0	-50.823	-90.336
<b>Cost December 31st</b>	<b>1.006.604</b>	<b>151.608</b>	<b>138.438</b>	<b>58.115</b>	<b>1.354.765</b>
Additions January 1st	26.378	5.095	1.743	0	33.216
Depreciations January 1st	-2.981	-1.959	-1.923	0	-6.863
Depreciations of the year	-701	-392	-385	0	-1.478
<b>Appreciations December 31st</b>	<b>22.696</b>	<b>2.743</b>	<b>-565</b>	<b>0</b>	<b>24.874</b>
Depreciations January 1st	-184.300	-65.173	-37.206	0	-286.679
Currency adjustment foreign sub.	0	-7	0	0	-7
Depreciations of the year	-35.629	-8.739	-11.915	0	-56.283
Depreciations regarding disposals	2.333	0	0	0	2.333
<b>Depreciations December 31st</b>	<b>-217.596</b>	<b>-73.919</b>	<b>-49.121</b>	<b>0</b>	<b>-340.635</b>
<b>Net book value December 31st</b>	<b>811.704</b>	<b>80.432</b>	<b>88.751</b>	<b>58.115</b>	<b>1.039.002</b>

## (7) FINANCIAL LEASING RECEIVABLE

The Group has entered into contracts which can be classified as financial leasing contracts. The majority of the contracts has to be recognised as irrevocable right of use (IRU) for fibre for periods longer than 15 years. The Group has not entered into any leasing contracts, which contain special conditions for payment of lease fee.

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		<b>Gross receivables from financial leasing:</b>		
13.026	13.178	Amount due within 1 year (2009)	13.178	13.026
49.665	49.741	Amount due between 1 and 5 years	49.741	49.665
64.271	50.726	Amount due after 5 years	50.726	64.271
126.962	113.645		113.645	126.962
-46.056	-36.877	Non-earned future interest payments	-36.877	-46.056
<u>80.906</u>	<u>76.768</u>	Net investment, financial leasing	<u>76.768</u>	<u>80.906</u>

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		<b>Specification of net investment, financial leasing:</b>		
6.372	6.400	Amount due within 1 year (2009)	6.400	6.372
35.771	29.584	Amount due between 1 and 5 years	29.584	35.771
38.764	40.785	Amount due after 5 years	40.785	38.764
<u>80.907</u>	<u>76.769</u>		<u>76.769</u>	<u>80.907</u>

<u>7.282</u>	<u>9.303</u>	Net present value of non-guaranteed scrap values	<u>9.303</u>	<u>7.282</u>
<u>7.282</u>	<u>9.303</u>		<u>9.303</u>	<u>7.282</u>

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		<b>Accumulated writedown reservation for bad debts on receivable minimum lease fees:</b>		
15.119	13.578	Provision at January 1st	13.578	15.119
-1.541	0	Provision of the year	0	-1.541
<u>13.578</u>	<u>13.578</u>	Provision at December 31st	<u>13.578</u>	<u>13.578</u>

## (8) CAPITAL INTEREST IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Amounts in tDKK	Total
Cost January 1st	23.901
Additions of the year	19.400
Disposals	-862
<b>Cost December 31st</b>	<b>42.439</b>
Revaluation January 1st	12.834
Revaluations previous years	165
Share of the result of the year	-344
Dividend	-2.000
Depreciation goodwill	-2.095
<b>Revaluation December 31st</b>	<b>8.560</b>
<b>Net book value December 31st</b>	<b>50.999</b>

	Location	Common shares	Result	Equity
GC Property A/S	Taastrup, DK	500	404	1.572
GlobalConnect GmbH	Hamborg, DE	186	8.568	14.206
SuperTel A/S	Taastrup, DK	6.000	-12.101	-1.041
		6.686	-3.128	14.737
Goodwill			-2.095	6.683
<b>Subsidiaries (100% owned)</b>		6.686	-5.223	21.420
Fyns Optiske Net A/S	Odense, DK	1.500	2.967	15.492
GC Invest 1 A/S (GigaContent A/S)	Taastrup, DK	750	0	14.087
<b>Associated company (50% owned)</b>		2.250	2.967	29.579
<b>Net book value December 31st</b>		8.936	-2.256	50.999

## (9) TREASURY SHARES

	Nominal	Purchase price
Cost at January 1st (202.100 shares of DKK 1,00)	202.100	13.865
Additions of the year	0	0
Disposals	0	0
<b>Cost at December 31st</b>	<b>202.100</b>	<b>13.865</b>

Treasury shares amount to 8.1% of the total share capital.

## (10) FINANCIAL INCOME

Group	Group		Parent	Parent
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
66	22	Banks	18	58
502	583	Exchange rate	572	497
5.340	7.015	Financial leasing	6.115	5.286
211	251	Debtors, early settlement discount	410	339
<b>6.119</b>	<b>7.870</b>		<b>7.115</b>	<b>6.180</b>

## (11) FINANCIAL EXPENSES

Group	Group		Parent	Parent
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
18.430	22.885	Banks	22.187	18.160
493	1.650	Supplier, exchange rates	3.201	1.549
<b>18.923</b>	<b>24.534</b>		<b>25.388</b>	<b>19.709</b>

## (12) CORPORATE INCOME TAX

Group	Group		Parent	Parent
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
-13.033	0	Change in deferred tax rate	0	-13.033
4.066	4.708	Adjustment previous year	0	0
<b>64</b>	0	Tax of the financial year	0	<b>64</b>
9.529	14.057	Increase in deferred tax	14.057	9.453
<b>626</b>	<b>18.765</b>		<b>14.057</b>	<b>-3.516</b>

Group	Group		Parent	Parent
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
		Deferred tax, specification:		
25	24	Intangible assets	24	25
117.834	122.022	Tangible assets	114.925	113.847
46.475	52.137	Financial assets	52.137	46.475
17.675	15.468	Current assets	15.468	17.675
-42.339	-32.606	Tax loss to be carried forward	-32.606	-42.339
-1.463	-1.541	Liabilities	-1.541	-1.463
<b>138.207</b>	<b>155.504</b>	<b>Deferred tax December 31st</b>	<b>148.407</b>	<b>134.220</b>

### (13) GURANTEE LIABILITY

Is a guarantee for the networks performance during the entire contract period for closed financial leasing contracts.

### (14) COMMON SHARES

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
		The shares consist of: 2.528.505 shares of DKK 1,00:		
2.351	2.351	Share capital January 1st 2004	2.351	2.351
3	3	Issuing of new shares 2004	3	3
16	16	Issuing of new shares 2005	16	16
125	125	Issuing of new shares 2006	125	125
30	30	Issuing of new shares 2007	30	30
0	3	Issuing of new shares 2008	3	0
<u>2.525</u>	<u>2.528</u>	Share capital December 31st	<u>2.528</u>	<u>2.525</u>

Warrants have been issued for the subscription of new shares in the amount of tDKK 15.

### (15) CAPITAL IN EXCESS OF PAR VALUE

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
8.034	0	Capital in excess of par value January 1st	0	8.034
-8.034	0	Additions of the year	0	-8.034
<u>0</u>	<u>0</u>	Capital in excess of par value December 31st	<u>0</u>	<u>0</u>

### (16) REVALUATION SURPLUS

Group 2007 tDKK	Group 2008 tDKK		Parent 2008 tDKK	Parent 2007 tDKK
44.476	26.352	Revaluation surplus January 1st	26.352	44.476
1.853	0	Change regarding new deferred tax rate	0	1.853
-1.478	-1.478	Depreciations this year	-1.478	-1.478
-5.385	0	Depreciations previous years	0	-5.385
-13.114	0	Correction previous years	0	-13.114
<u>26.352</u>	<u>24.874</u>	Revaluation surplus December 31st	<u>24.874</u>	<u>26.352</u>

**(17) NET REVALUATION ACCORDING TO THE EQUITY METHOD**

<b>Group</b> 2007 tDKK	<b>Group</b> 2008 tDKK		<b>Parent</b> 2008 tDKK	<b>Parent</b> 2007 tDKK
		Net revaluation according to the equity method		
0	0	January 1st	10.834	0
0	0	Currency adjustment	-18	0
0	0	Additions of the year	-2.274	10.834
		Net revaluation according to the equity method		
0	0	December 31st	8.542	10.834

**(18) RETAINED EARNINGS**

<b>Group</b> 2007 tDKK	<b>Group</b> 2008 tDKK		<b>Parent</b> 2008 tDKK	<b>Parent</b> 2007 tDKK
216.831	289.550	Retained earnings January 1st	278.716	216.831
8.034	0	Capital in excess of par value previous years	0	8.034
1.271	137	Capital in excess of par value 2008	137	1.271
2.836	0	Dividend own shares	0	2.836
18.499	0	Correction revaluation surplus	0	18.499
40.479	41.160	Net income of the year	43.452	29.645
1.600	-10.922	Reservation for interest rate forward valued at current rate	-10.922	1.600
289.550	319.924	Retained earnings December 31st	311.382	278.716

**(19) LONG-TERM DEBT**

<b>Group</b> 2007 tDKK	<b>Group</b> 2008 tDKK		<b>Parent</b> 2008 tDKK	<b>Parent</b> 2007 tDKK
		<b>During 1 year (2009)</b>		
60.889	60.687	Prepayments from customers	50.381	54.968
118.726	112.892	Bank debt	112.892	0
0	0	Other debt	0	0
179.615	173.579		163.273	54.968
		<b>From 1 to 5 years</b>		
73.119	96.269	Prepayments from customers	68.207	66.812
89.434	160.000	Bank debt	160.000	87.434
7.204	7.204	Other debt	7.204	0
169.757	263.473		235.411	154.246
		<b>After 5 years</b>		
25.011	50.827	Prepayments from customers	47.789	25.011
111.400	152.500	Bank debt	152.500	110.000
3.909	3.909	Other debt	3.909	377
140.321	207.236		204.198	135.388

## (20) CONTINGENT LIABILITIES

<b>Group</b> 2007 tDKK	<b>Group</b> 2008 tDKK		<b>Parent</b> 2008 tDKK	<b>Parent</b> 2007 tDKK
12.212	13.379	Leasing commitments	13.061	11.702
10.924	7.690	Rent commitments	8.905	10.856
3.777	3.655	Guarantees	3.655	3.777
		Securities provided to bank:		
328.577	333.577	Provided securities in tangible fixed assets	328.000	323.000
0	0	Provided securities in daughter company shares	500	0
60.000	60.000	Floating charge	60.000	60.000
0	1.852	Assignment in Trade account receivables	1.852	0
59.316	53.571	Assignment in Receivable from Financial leasing	53.571	59.316
<b>474.806</b>	<b>473.724</b>		<b>469.544</b>	<b>468.651</b>

Assignment in future revenue of 6.176 tDKK annually is provided to the bank.

## (21) RELATED PARTY TRANSACTIONS

### Controlling interest

ZS Holding A/S, Hørskættens 3, 2630 Taastrup is the main shareholder in GlobalConnect A/S and has therefore controlling interest.

### List of shareholders

The following shareholders are comprehended by the disclosure requirements of the Companies Act:

- ZS Holding A/S, Hørskættens 3, 2630 Taastrup
- Paradigm Ventures LLC, England
- GlobalConnect A/S holds shares for more than 5 per cent of the share capital.

### Transactions

Accounts with Group companies at the balance date amount to tDKK 25,602. Hereof tDKK 337 regarding the parent company.

The Group has no other significant transactions than the above-mentioned with related parties.

The Group's financial report is consolidated into the Group financial report of the Parent company ZS Holding A/S, Hørskættens 3, 2630 Taastrup

## (22) FINANCIAL INSTRUMENTS

The company's bank loans are on usual market terms.

The company's revenues are mainly in DKK and EUR. Cost of goods and other costs are mainly in DKK. In the balance sheet balances in foreign currencies are contained in trade accounts receivables and trade accounts payable. The company has during the year used interest forward instruments and has as a consequence therefore provisioned tDKK 10,922 under the shareholders' equity.

**(23) OTHER ADJUSTMENTS**

<b>Group</b>	<b>Group</b>		<b>Parent</b>	<b>Parent</b>
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
2.231	2.137	Expenses regarding prepaid rights	2.137	2.028
-6.119	-7.870	Interest and other financial income	-7.115	-6.180
-808	-2.967	Result from investment in Group company	2.258	-5.955
0	0	Received dividend	2.000	0
18.923	24.534	Interest and other financial expenses	25.388	19.709
-4.485	316	Guarantees late fee	316	-4.485
0	0	Contribution - joint taxation	130	652
626	18.765	Corporate income tax	14.057	-3.516
<b>10.368</b>	<b>34.915</b>		<b>39.171</b>	<b>2.253</b>

**(24) CHANGE IN WORKING CAPITAL**

<b>Group</b>	<b>Group</b>		<b>Parent</b>	<b>Parent</b>
2007	2008		2008	2007
tDKK	tDKK		tDKK	tDKK
2.360	-24.925	Change in receivables	-20.221	-13.988
-2.243	-510	Change in inventories	-542	-2.127
9.218	-3.331	Change in maturities of long-term debt	-4.469	9.218
114.433	-2.812	Change in bank loans	-5.837	107.818
-26.415	-10.966	Change in trade accounts payable	-14.497	-20.946
25.224	4.766	Change in other accounts payable	8.583	20.030
6.191	-4.800	Change in amounts owed to Group companies	11.474	23.655
<b>128.768</b>	<b>-42.578</b>		<b>-25.508</b>	<b>123.660</b>

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