

Intel Copenhagen ApS

c/o Intel Mobile Communications Denmark ApS, Alfred Nobels Vej 25, 9220
Aalborg Øst

CVR No. 11 98 76 48



Annual report for the year ended 31 December 2013

Approved at the annual general meeting of shareholders on 27 May 2014

As chairman:


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Management's review

Company details

c/o Name

Intel Copenhagen ApS

Address, Postal code, City

c/o Intel Mobile Communications Denmark ApS, Alfred Nobels Vej 25,
9220 Aalborg Øst

CVR No.

11 98 76 48

Executive board

Nicholas John Hudson

Terence David Palmer

Abdul Guefor

Tiffany Doon Silva

Auditors

Ernst & Young, Godkendt Revisionspartnerskab

Gyngemose Parkvej 50, 2860 Søborg, Denmark

Tel. +45 70 10 80 50

Telefax +45 35 87 22 00

Bankers

Citibank, N.A., Citigroup Centre 2, 25 Canada Square, Canary Wharf,
London E14 5LB

Management's review

The company's business review

Intel Copenhagen ApS is an indirect wholly owned subsidiary of Intel Corporation Inc.

Its activities are to provide services to support and facilitate selling, marketing and distribution of products by Intel Corporation (UK) Limited.

Recognition and measurement uncertainties

As noted last year, the local Danish tax authorities has proposed to increase the company's taxable income for 2002 by approx. DKK 8 billion. Management have assessed the best estimate of the probable settlement amount and provided for this in full.

We refer to note 9.

Financial review

In 2013, the company's revenue came in at DKK 5,875 thousand against DKK 9,163 thousand last year. The income statement for 2013 shows a loss of DKK -2,028,449 thousand against DKK 3,474 thousand last year, and the balance sheet at 31 December 2013 shows a deficit on equity of DKK -1,496,842 thousand. This is due to the fact that management has recognized as at 31 December 2013 a provision of DKK 2 billion related to the probable settlement of the tax position.

We refer to note 9.

Non-financial matters

The company has agreements with intra-group companies regarding compensation of development, manufacturing, sale and marketing of products on behalf of the owners of the product rights.

The company has a wholly owned subsidiary in Lithuania, UAB Intel Vilnius.

Post balance sheet events

The company has after the balance sheet date obtained a letter of support from Intel Group stating the company will receive financial support from the Group enabling the company to meet its obligations as they fall due. On this basis, Management is of the view that the company is to be considered as going concern.

No other significant events have occurred subsequent to the financial year.



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Statement by management on the annual report

Today, management has discussed and approved the annual report of Intel Copenhagen ApS for the financial year 1 January - 31 December 2013.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and of the results of the company's operations for the financial year 1 January - 31 December 2013.

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

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

Copenhagen, 23 May 2014

Executive board:

Nicholas John Hudson

Terence David Palmer

Abdul Guefor

Tiffany Doon Silva



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

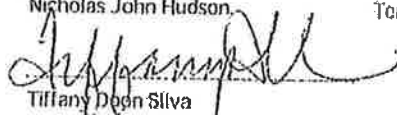
Copenhagen, 23 May 2014

Executive board:

Nicholas John Hudson

Terence David Palmer

Abdul Guefor


Tiffany Deon Silva

To the shareholders of Intel Copenhagen ApS

Report on financial statements

We have audited the financial statements of Intel Copenhagen ApS for the financial year 1 January - 31 December 2013, which comprise an Income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view.

The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2013 and of the results of its operations for the financial year 1 January - 31 December 2013 in accordance with the Danish Financial Statements Act.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 23 May 2014
Ernst & Young
Godkendt Revisionspartnerselskab


Christian Schwenn Johansen
state authorised public accountant


Thomas Kühn
state authorised public accountant

Income statement for the year ended 31 December

Notes	2013 DKKt	2012 DKKt
Revenue	5.875	9.163
Other external expenses	<u>2.125</u>	<u>2.164</u>
Gross margin	3.750	6.999
4 Staff costs	<u>3.296</u>	<u>6.086</u>
Operating profit/loss	454	913
Income from investments in group entities	0	360
5 Financial income	1.368	2.490
Financial expenses	<u>138</u>	<u>31</u>
Pre-tax profit/loss	1.684	3.732
6 Tax for the year	<u>2.030.133</u>	<u>258</u>
Profit/loss for the year	<u>-2.028.449</u>	<u>3.474</u>
Recommended appropriation of the profit/loss for the year		
Net revaluation reserve according to the equity method	0	360
Retained earnings/accumulated loss	<u>-2.028.449</u>	<u>3.114</u>
	<u>-2.028.449</u>	<u>3.474</u>

Balance sheet at 31 December

Notes	2013 DKKt	2012 DKKt
Assets		
Fixed assets		
7 Investments in group entities, net asset value	<u>2.651</u>	<u>2.651</u>
Investments	<u>2.651</u>	<u>2.651</u>
Total fixed assets	<u>2.651</u>	<u>2.651</u>
Current assets		
Receivables from group entities	497.841	501.046
Income taxes receivable	30.399	26.327
Other receivables	<u>1.487</u>	<u>874</u>
Receivables	<u>529.727</u>	<u>528.247</u>
Cash	<u>1.605</u>	<u>3.374</u>
Total current assets	<u>531.332</u>	<u>531.621</u>
Total assets	<u><u>533.983</u></u>	<u><u>534.272</u></u>

Balance sheet at 31 December

Notes	2013 DKKt	2012 DKKt
Equity and liabilities		
Equity		
a Share capital	2.045	2.045
Net revaluation reserve according to the equity method	922	922
Retained earnings	<u>-1.499.809</u>	<u>528.640</u>
Total equity	<u>-1.496.842</u>	<u>531.607</u>
Provisions		
Other provisions	<u>2.030.133</u>	<u>0</u>
9 Total provisions	<u>2.030.133</u>	<u>0</u>
Liabilities		
Trade payables	53	24
Payables to group entities	1	2.061
Other payables	<u>638</u>	<u>580</u>
Short-term liabilities	<u>692</u>	<u>2.665</u>
Total liabilities	<u>692</u>	<u>2.665</u>
Total equity and liabilities	<u><u>533.983</u></u>	<u><u>534.272</u></u>

Statement of changes in equity

(DKKt)	Share capital	Reserve for net revaluation acc. to the equity' method	Retained earnings/accu- mulated loss	Total
Equity at 1/1 2013	2.045	922	528.640	531.607
Profit/loss for the year, cf. appropriation of profit/loss		0	-2.028.449	-2.028.449
Equity at 31/12 2013	<u>2.045</u>	<u>922</u>	<u>-1.499.809</u>	<u>-1.496.842</u>

1. Accounting policies

The annual report of Intel Copenhagen ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Intel Copenhagen ApS and its group entities are part of the consolidated financial statements for Intel Corporation Inc., 2200 Mission College Boulevard, Santa Clara California 95054, USA.

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Foreign group entities

As regards integral foreign operations, the items in their financial statements are translated using the following principles:

- Balance sheet items are translated at the closing rate.
- Items in the income statement are translated at the rate at the date of the transaction.
- Any exchange differences resulting from the translation of the opening equity at the closing rate and the exchange adjustment of the items in the income statement from the rate at the date of the transaction to the closing rate are taken directly to equity.

On the sale of an integral foreign operation, the accumulated exchange adjustment is re-classified from equity to the income statement together with the gain or the loss.

Income statement

Revenue

The compensation model used by Intel Corporation (UK) Ltd. for all of its affiliated group companies in the Europe, Middle East, Africa (EMEA region) including Intel Copenhagen ApS is a cost plus method.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, lease payments under operating leases, etc.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, dividends declared, realised and unrealised capital and exchange gains and losses on securities and foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

1. Accounting policies - continued

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

The provision for uncertain tax positions is created when it is more likely than not that a liability will arise. Management's assessment of the likelihood of a liability arising is based on all factors of which management is aware. Where open issues exist, the ultimate liability may differ from the amounts provided and may depend on the outcome of negotiations with the relevant tax authorities.

Balance sheet

Investments in group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any. Investments in entities whose net asset value is negative are measured at DKK 0. The entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable. Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Newly acquired and sold investments are recognised in the financial statements from the time of acquisition or until the time of sale, respectively.

The purchase method of accounting is applied to corporate takeovers as described under 'Business combinations'.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Income tax

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

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

As tax administration company for all the entities in the joint taxation arrangement, the tax administration company is liable for the inter-companies' income taxes vis-à-vis the tax authorities as the related inter-companies pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.

1. Accounting policies - continued

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

2. Uncertainty as to going concern

The company's obligations exceed the company's assets as at 31 December 2013. The company's ability to remain a going concern depends on the Intel groups' willingness to provide financial support. As management has obtained letter of support from the Intel group the financial statements have been prepared based on a going concern assumption.

We refer to note 9.

3. Unusual matters

Based on recent discussions with the respective tax authorities, the management has reassessed tax risks associated with the company's transfer of intangible assets.

We refer to note 9.

4. Staff costs

Analysis of staff costs:

	2013 DKKt	2012 DKKt
Wages/salaries	1,612	1,439
Other staff costs	<u>1,684</u>	<u>4,647</u>
	<u>3,296</u>	<u>6,086</u>

The company's employees and the executive board and other executive officers can participate in the Intel Group's stock purchase programme. The arrangement is on equal terms for employees, the executive board and other executive officers. Further, the company's employees, the executive board and other executive officers participate in the stock option programme of the Intel Group. The number of stock options granted depends on position and seniority, while exercise prices and maturity dates are the same in connection with every grant.

Furthermore, the company has two bonus schemes where the bonus earned is based partly on the financial performance of the Intel group and partly by the fulfilment of performance criteria for the division in the Intel group to which the individual department of the company belongs.

Notes

	2013 DKKt	2012 DKKt
5. Financial income		
Interest receivable, group entities	1.368	2.327
Other financial income	<u>0</u>	<u>163</u>
	<u>1.368</u>	<u>2.490</u>
6. Tax for the year		
Estimated tax charge for the year	0	268
Tax adjustments, prior years	<u>2.030.133</u>	<u>0</u>
	<u>2.030.133</u>	<u>258</u>
7. Investments in group entities		
(DKKt)		Investments in group entities
Cost		
Balance at 1/1 2013		<u>2.651</u>
Cost at 31/12 2013		<u>2.651</u>
Carrying amount at 31/12 2013		<u>2.651</u>
	Domicile	Interest (%)
Subsidiaries		
UAB Intel Vilnius	Vytenio g.50, Vilnius, Lithuania	100,00

	31/12 2013 DKKt	31/12 2012 DKKt
8. Share capital		
Analysis of the company's share capital, DKK 2.045 thousand:		
4.090 class A-share(s) of DKK 500 each	2.045	2.045
	<u>2.045</u>	<u>2.045</u>

The share capital has remained DKK 2,045 thousand in the last 5 years.

9. Provisions

In 2008, the local Danish tax authorities increased the company's taxable income for 2002 by approx. DKK 8 billion, corresponding to a tax expense of approx. DKK 2.4 billion before interest, in relation to the company's transfer of intangible assets to a group enterprise in 2002.

Since 2008, the US and the Danish competent authorities have been seeking to reach an agreement between the two countries in order to avoid any double taxation for the group (Mutual Agreement Procedure).

Management have assessed the best estimate of the probable settlement amount and provided for this in full. On this basis, management has recognized as at 31 December 2013 a provision of DKK 2 billion covering both additional corporate income tax and related interests.

Due to the above provision, the company's obligations exceed the company's assets as at 31 December 2013. On this basis, Management has assessed the company's ability to continue as a going concern. The company has after the balance sheet date obtained a letter of support from Intel Group stating the company will receive financial support from the Group enabling the company to meet its obligations as they fall due. On this basis, Management is of the view that the company is to be considered as going concern.

10. Contingent liabilities and other financial obligations

The company is jointly taxed with its Danish affiliated companies: Intel Denmark ApS, Intel Mobile Communications Denmark ApS, McAfee ApS and Havok ApS (in liquidation).

11. Contingent assets

The company's unrecognised tax assets amount to approximately DKK 1,332 thousand and relate to temporary differences between the carrying amount and the tax base.



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Notes

12. Related parties

Information about consolidated financial statements:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Intel Corporation Inc.	2200 Mission College Blvd., Santa Clara, CA 95054, USA	2200 Mission College Blvd., Santa Clara, CA 95054, USA

Related party transactions not carried through on normal market terms:

There are no related party transactions that have not been carried through on normal market terms.

Information about shareholders holding 5% or more of the share capital or the voting rights

Name	Domicile
Intel Europe Inc.	CT Corporation System 818 West 7th Street Los Angeles, California, US 90017

