

# Diesel Denmark ApS

Strandlodsvej 6, 2300 København S

CVR no. 11 10 99 77



## Annual report 2015

Approved at the annual general meeting of shareholders on 31 May 2016

Chairman:



Joanna Elmand



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### Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Diesel Denmark ApS for the financial year 1 January - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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


Copenhagen, 31 May 2016

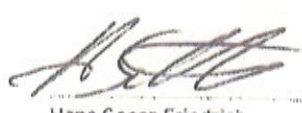
Executive Board:

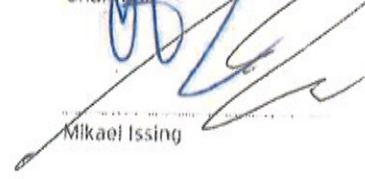
  
Joana Omland

Board of Directors:

  
Joana Omland  
Chairman

  
Andrea Aliastro

  
Hans Georg Friedrich  
Schmitt

  
Mikael Issing

## Independent auditors' report

To the shareholders of Diesel Denmark ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Diesel Denmark ApS for the financial year 1 January - 31 December 2015, 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 and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

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

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 31 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

Svend Duelund Jensen  
State Authorised Public Accountant

Morten Bjerregaard  
State Authorised Public Accountant



## Management's review

### Company details

Name	Diesel Denmark ApS
Address, Postal code, City	Strandlodsvej 6, 2300 København S
CVR No.	11 10 99 77
Established	1 August 1987
Website	<a href="http://www.diesel.com">www.diesel.com</a>
Telephone	+45 39 27 56 55
Telefax	+45 39 27 15 53
Board of Directors	Joanna Onland, Chairman Andrea Aliastro Hans Georg Friedrich Schmitt Mikael Issing
Executive Board	Joanna Onland
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank



## Management's review

### Financial highlights

DKK	2015	2014	2013	2012	2011
<b>Key figures</b>					
Revenue	75,417,747	89,428,314	111,111,841	191,732,000	208,747,000
Profit before interest, tax and amortisation of goodwill (EBITA)	-2,600,916	-5,877,505	-3,962,081	-20,879,000	-4,282,000
Operating profit/loss	-2,600,916	-1,915,424	-3,962,081	-20,879,000	-4,282,000
Net financials	-944,278	-870,551	-944,937	-987,000	-1,730,000
Profit/loss for the year	-1,246,990	-1,321,255	-10,169,747	-26,791,000	-13,711,000
Total assets	49,485,645	59,607,933	43,007,141	66,628,000	65,006,000
Equity	-665,851	461,062	-13,235,563	-3,066,000	-4,577,000
<b>Financial ratios in %</b>					
Operating margin	-3.4 %	-2.1 %	-3.6 %	-10.9 %	-2.1 %
Gross margin	36.6 %	34.8 %	29.3 %	8.4 %	14.9 %
Return on assets	-4.8 %	-3.7 %	-7.2 %	-31.7 %	-6.2 %
Solvency ratio	-1.3 %	0.8 %	-30.8 %	-4.6 %	-7.0 %
Average number of employees	57	64	73	73	75

## Management's review

### Operating review

#### The Company's business review

The Company's business activity is the wholesale of Diesel clothes and accessories produced by other companies in the OTB Group. Furthermore, the company runs three retail Stores in Copenhagen, Aarhus (Denmark) and Helsinki (Finland), one Concession and one Outlet in Ringsted (Denmark)

#### Financial review

In 2015, the company's revenue came in at DKK 75,417,747 against DKK 89,428,314 last year. The income statement for 2015 shows a loss of DKK 1,246,990 against a loss of DKK 1,321,255 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 665,851.

The Gross Profit Margin in 2015 was 37 % from the Net Sales compared to 35 % in 2014 primarily driven by the Group newly implemented TP setup. The loss before tax amounted to DKK -1,246,990, which is at the same level as last year.

The Company is currently not able to fund its operations and is dependent on contribution of operating capital to fund the current plans and budgets. The ultimate parent company OTB S.p.A. has guaranteed to provide business support and financial support as necessary to enable Diesel Denmark ApS to continue its operations and to meet all its liabilities and commitments as they fall due for a minimum of 12 months from 22 March 2016.

Furthermore, the parent company has declared its willingness to contribute sufficient capital to cover potential costs related to the ongoing dispute regarding settlement of corporation tax for prior income years, see note 12.

#### Non-financial matters

##### Knowledge resources

All products, clothes and accessories are designed and manufactured by other companies in the OTB SPA Group. Diesel Denmark ApS acts as a fully fledged direct distributor and does not carry any risk regarding knowledge resources.

##### Special risks

Diesel Denmark ApS has no significant currency risks or other specific risks.

##### Impact on the external environment

The Company has no exceptional impact on the external environment within the industry.

##### Research and development activities

Most development activities are conducted by the parent company ensuring that all products comply with environmental requirements and other EU requirements.

##### Foreign branches

The company has a branch in Finland.

##### Post balance sheet events

In April 2016, the parent company resolved to make a capital contribution amounting to DKK 1,267.000 in order to recover the lost equity.

It is management's opinion that the income statement and balance with accompanying notes, also taking into account post year-end, contain all the essential information for assessing the outcome in the past year and its financial position at year-end.



## Management's review

### Operating review

#### Outlook

For 2016 revenue has been budgeted at DKK 64,000 thousand. This is in light of the interim order book and an expectation that the market will remain in a difficult situation that will impact the company's retail sale as well as the company's in season replenishment from wholesale customers.



## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015	2014
	Revenue	75,417,747	89,428,314
	Cost of sales	-31,692,198	-45,982,774
	Other external expenses	-16,095,100	-12,360,649
	<b>Gross profit</b>	<b>27,630,449</b>	<b>31,084,891</b>
3	Staff costs	-27,108,347	-29,679,009
4	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-2,609,022	-3,321,306
5	Other operating expenses	-513,996	0
	<b>Operating profit/loss</b>	<b>-2,600,916</b>	<b>-1,915,424</b>
	Income from investments in group enterprises	2,298,204	1,464,720
6	Financial income	521,619	661,857
7	Financial expenses	-1,465,897	-1,532,408
	<b>Profit/loss before tax</b>	<b>-1,246,990</b>	<b>-1,321,255</b>
	Tax for the year	0	0
	<b>Profit/loss for the year</b>	<b>-1,246,990</b>	<b>-1,321,255</b>
	<b>Proposed profit appropriation/distribution of loss</b>		
	Retained earnings/accumulated loss	-1,246,990	-1,321,255
		-1,246,990	-1,321,255

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
8	<b>Intangible assets</b>		
	Acquired intangible assets	72,073	0
		<u>72,073</u>	<u>0</u>
9	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	3,241,237	3,602,178
	Leasehold improvements	3,223,389	4,116,615
		<u>6,464,626</u>	<u>7,718,793</u>
10	<b>Investments</b>		
	Investments in group enterprises	6,677,730	4,239,262
	Other receivables	3,766,038	3,865,382
		<u>10,443,768</u>	<u>8,104,644</u>
	<b>Total non-current assets</b>	<u>16,980,467</u>	<u>15,823,437</u>
<b>Current assets</b>			
	<b>Inventories</b>		
	Raw materials and consumables	7,255,190	7,404,946
		<u>7,255,190</u>	<u>7,404,946</u>
	<b>Receivables</b>		
	Trade receivables	7,993,561	8,962,695
	Receivables from group enterprises	14,515,941	22,856,849
	Other receivables	499,627	572,615
	Prepayments	468,240	1,460,224
		<u>23,477,369</u>	<u>33,852,383</u>
	<b>Cash</b>	<u>1,772,619</u>	<u>2,527,167</u>
	<b>Total current assets</b>	<u>32,505,178</u>	<u>43,784,496</u>
	<b>TOTAL ASSETS</b>	<u>49,485,645</u>	<u>59,607,933</u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
11	Share capital	601,000	601,000
	Retained earnings	-1,266,851	-139,938
	<b>Total equity</b>	<b>-665,851</b>	<b>461,062</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	3,315,648	3,966,472
	Payables to group enterprises	36,921,165	45,435,150
	Other payables	9,687,640	9,418,784
	Deferred income	227,043	326,465
		<b>50,151,496</b>	<b>59,146,871</b>
	<b>Total liabilities other than provisions</b>	<b>50,151,496</b>	<b>59,146,871</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>49,485,645</b>	<b>59,607,933</b>

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 12 Collateral
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties

## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2014	601,000	-13,837,683	-13,236,683
Profit/loss for the year	0	-1,321,255	-1,321,255
Adjustment of investments through foreign exchange adjustments	0	19,000	19,000
Other value adjustments of equity	0	15,000,000	15,000,000
<b>Equity at 1 January 2015</b>	<b>601,000</b>	<b>-139,938</b>	<b>461,062</b>
Profit/loss for the year	0	-1,246,990	-1,246,990
Adjustment of investments through foreign exchange adjustments	0	120,077	120,077
<b>Equity at 31 December 2015</b>	<b>601,000</b>	<b>-1,266,851</b>	<b>-665,851</b>

Other value adjustments of equity, DKK 15,000,000 relate to group contributions received from the parent company.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Diesel Denmark ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

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

Changes have been made to the presentation and classification of a few items in the financial statements as this is thought to provide a more accurate view. The comparatives have been restated to reflect these changes. The changes have not affected the loss for the year or equity.

#### Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the parent company is prepared, as the parent company's cash flows are part of the consolidated cash flow statement.

#### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for Diesel Denmark ApS and its group entities are part of the consolidated financial statements for OTB S.p.A, Italy.

#### Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Foreign group entities

Foreign subsidiaries and associates are considered separate enterprises. Items in such enterprises' income statements are translated at the average exchange rates for the month, and their balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of such enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the average exchange rates at the transaction date to closing.

On recognition of foreign subsidiaries which are integral enterprises, monetary items are translated at closing rates. Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

##### Income statement

##### Revenue

Income from the sale of goods for resale and finished goods, comprising sale of Diesel clothing and accessories is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of fixed assets.

##### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

##### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Acquired IP rights	5 years
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The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Leasehold improvements	3 - 10 years
Other fixtures and fittings, tools and equipment	3 - 5 years

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 financial reporting period. The items comprise interest income and expenses, e.g. from group entities, realised and unrealised capital gains and losses relating to investments and exchange gains and losses.

##### 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 activity in the Finnish branch is taxed according to Finnish tax rules.

##### Balance sheet

##### Intangible assets

Other intangible assets include acquired software licences.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Investments in group entities

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

##### Impairment of fixed assets

Intangible assets, property, plant and equipment and investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

##### Inventories

Inventories are measured at the lower of cost, measured by reference to the average price method, and net realisable value.

The cost of finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labour and direct production overheads. Indirect production overheads and borrowing costs are not included in the cost.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for 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.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

#### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$

#### 2 Material uncertainties regarding going concern

The Company realised a loss of DKK 1,246,990 for the financial year compared to a loss of DKK 1,321,255 last year. The Company's balance sheet shows equity of DKK -665,851 thousand; consequently, the share capital is lost. The Company expects to restore the share capital by own earnings or by injection of fresh capital.

Accordingly, the Company is currently not able to fund its operations and is dependent on contribution of operating capital to fund the current plans and budgets. The ultimate parent company OTB S.p.A. has guaranteed to provide business support and financial support as necessary to enable Diesel Denmark ApS to continue its operations and to meet all its liabilities and commitments as they fall due for a minimum of 12 months from 22 March 2016.

Furthermore, the parent company has declared its willingness to contribute sufficient capital to cover potential costs related to the ongoing dispute regarding settlement of corporation tax for prior income years, see note 12.

On this basis, the financial statements are presented on the assumption of going concern.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK		2015	2014
<b>3</b>	<b>Staff costs</b>		
	Wages/salaries	24,930,886	27,324,471
	Pensions	1,797,775	1,944,318
	Other social security costs	321,379	410,220
	Other staff costs	58,307	0
		<u>27,108,347</u>	<u>29,679,009</u>
	Average number of full-time employees	<u>57</u>	<u>64</u>
By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.			
<b>4</b>	<b>Amortisation/depreciation and impairment of intangible assets and property, plant and equipment</b>		
	Depreciation of property, plant and equipment	2,609,022	3,321,306
		<u>2,609,022</u>	<u>3,321,306</u>
<b>5</b>	<b>Other operating expenses</b>		
	Other operating expenses include losses on the sale of property, plant and equipment, including other operating equipment, totalling DKK 513,996		
<b>6</b>	<b>Financial income</b>		
	Interest receivable, group entities	9,570	43,249
	Other interest income	1,946	69,409
	Exchange gain	510,014	538,273
	Other financial income	89	10,926
		<u>521,619</u>	<u>661,857</u>
DKK		2015	2014
<b>7</b>	<b>Financial expenses</b>		
	Interest expenses, group entities	472,651	516,393
	Other interest expenses	188,287	176,646
	Exchange losses	472,120	490,057
	Other financial expenses	332,839	349,312
		<u>1,465,897</u>	<u>1,532,408</u>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Intangible assets

kr.	Acquired intangible assets
Cost at 1 January 2015	0
Foreign exchange adjustments	1,577
Additions	59,775
Disposals	-1,452
Transferred	1,400,455
Cost at 31 December 2015	1,460,355
Impairment losses and amortisation at 1 January 2015	0
Foreign exchange adjustments	1,574
Amortisation for the year	15,299
Reversal of accumulated amortisation and impairment of assets disposed	-968
Transferred	1,372,377
Impairment losses and amortisation at	1,388,282
Carrying amount at 31 December 2015	72,073

#### 9 Property, plant and equipment

kr.	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2015	15,201,751	22,495,828	37,697,579
Foreign exchange adjustments	8,537	13,490	22,027
Additions	1,530,173	348,302	1,878,475
Disposals	-512,038	-1,274,662	-1,786,700
Transferred	-1,400,455	0	-1,400,455
Cost at 31 December 2015	14,827,968	21,582,958	36,410,926
Impairment losses and depreciation at 1 January 2015	11,706,719	18,272,581	29,979,300
Foreign exchange adjustments	4,471	13,299	17,770
Depreciation	1,633,338	961,368	2,594,706
Reversal of accumulated depreciation and impairment of assets disposed	-385,420	-887,679	-1,273,099
Transferred	-1,372,377	0	-1,372,377
Impairment losses and depreciation at 31 December 2015	11,586,731	18,359,569	29,946,300
Carrying amount at 31 December 2015	3,241,237	3,223,389	6,464,626
Amortised over	3 - 5 years	3 - 10 years	

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 10 Investments

kr.	Investments in group enterprises	Other receivables	I alt
Cost at 1 January 2015	36,147,524	3,865,382	40,012,906
Disposals	0	-99,344	-99,344
Cost at 31 December 2015	36,147,524	3,766,038	39,913,562
Value adjustments at 1 January 2015	-31,908,262	0	-31,908,262
Foreign exchange adjustments	140,264	0	140,264
Profit/loss for the year	2,298,204	0	2,298,204
Value adjustments at 31 December 2015	-29,469,794	0	-29,469,794
Carrying amount at 31 December 2015	6,677,730	3,766,038	10,443,768

DKK	Legal form	Domicile	Interest	Equity	Profit/loss
Subsidiaries					
Diesel Sweden AB	Aktiebolag	Sweden	100.00 %	6,677,730	2,298,204

DKK	2015	2014
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#### 11 Share capital

The share capital consists of the following:

1,202 shares of DKK 500.00 each	601,000	601,000
	601,000	601,000

The Company's share capital has remained DKK 601,000 over the past 5 years.

#### 12 Collateral

The Company has not placed any assets or other as security for loans at 31/12 2015.

#### 13 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The Company is party to a court case at the Danish National Tax Tribunal regarding settlement of corporation tax for prior income years. At the balance sheet date, the outcome of the court case is subject to considerable uncertainty.

##### Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	4,993,694	7,297,000

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 14 Related parties

Diesel Denmark ApS' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Diesel S.p.A	Via Dell' Industria 4/6, 36042 Breganze(VI), Italy	Participating interest

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
OTB S.p.A	Via Dell' Industria 2, 36042 Breganze(VI), Italy	The consolidated financial statements and parent company financial statements can be requested at Diesel Danmark ApS in Copenhagen

