
Harman Consumer Division Nordic A/S

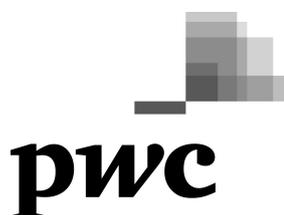
Hejreskovvej 18A, DK-3490 Kvistgård

Annual Report for 1 July 2016 - 31 December 2017

CVR No 15 88 21 82

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
19/6 2018

Mikael Jensen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Harman Consumer Division Nordic A/S for the financial year 1 July 2016 - 31 December 2017.

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 financial position at 31 December 2017 of the Company and of the results of the Company operations and cash flows for 2016/17.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aalborg, 19 June 2018

Executive Board

Niels Mikael Jensen

Carsten Olesen

Board of Directors

John Stacey
Chairman

Frank Georg Donald Groth

Niels Mikael Jensen

Independent Auditor's Report

To the Shareholder of Harman Consumer Division Nordic A/S

Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations and cash flows for the financial year 1 July 2016 - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Harman Consumer Division Nordic A/S for the financial year 1 July 2016 - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the Danish accounting legislation

Contrary to section 12 of the Danish Bookkeeping Act, the Company keeps its accounting records abroad for which Management may incur liability. The management has informed us that they are in process of changing the access to the accounting records in order to fulfill the Danish Bookkeeping Act.

Aalborg, 19 June 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Borregaard

statsautoriseret revisor

mne34353

Company Information

The Company

Harman Consumer Division Nordic A/S
Hejreskovvej 18A
DK-3490 Kvistgård

CVR No: 15 88 21 82
Financial period: 1 July - 31 December
Municipality of reg. office: Helsingør

Board of Directors

John Stacey, Chairman
Frank Georg Donald Groth
Niels Mikael Jensen

Executive Board

Niels Mikael Jensen
Carsten Olesen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Skelagervej 1A
DK-9000 Aalborg

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2016/17 TDKK	2015/16 TDKK	2014/15 TDKK	2013/14 TDKK	2012/13 TDKK
Key figures					
Profit/loss					
Gross profit/loss	73,631	15,710	10,333	4,035	8,842
Operating profit/loss	4,810	7,400	3,554	2,095	3,304
Profit/loss before financial income and expenses	4,810	7,400	3,554	2,095	3,304
Net financials	-186	-148	-412	-931	-1,433
Net profit/loss for the year	1,684	6,600	2,040	790	1,570
Balance sheet					
Balance sheet total	77,116	85,530	87,974	24,092	20,937
Equity	56,521	25,191	18,591	16,551	15,761
Cash flows					
Cash flows from:					
including investment in property, plant and equipment	-11,884	-3,669	-47,814	-21	-114
Ratios					
Return on assets	6.2%	8.7%	4.0%	8.7%	15.8%
Solvency ratio	73.3%	29.5%	21.1%	68.7%	75.3%
Return on equity	4.1%	30.1%	11.6%	4.9%	10.5%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Financial Statements of Harman Consumer Division Nordic A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

The Company's principal activities include arrangement of sales and marketing of the loudspeaker products JBL, AKG and Infinity as well as Harman Kardon loudspeakers and HiFi products for the Scandinavian specialist market. The Company has branch office in Sweden and Norway. Additionally the Company runs a development programme concerned with innovating car audio components and features. This service is sold to other companies within the Harman Group.

Development in the year

The income statement of the Company for 2016/17 shows a profit of TDKK 1,684, and at 31 December 2017 the balance sheet of the Company shows equity of TDKK 56,521.

The past year and follow-up on development expectations from last year

The business developments exceeded the expectations, mainly driven by the strong acceptance of the newly introduced product ranges.

Special risks - operating risks and financial risks

Due to the setup of the entity, with a commissionaire agreement on the one hand and a service agreement with Harman International Industries Inc. on the other, a positive earnings result is in principle contractually safeguarded. Furthermore the new car audio development activities are sold at a fixed mark up on operating costs, so the positive earnings safeguard is thereby further enhanced. The strategic risk for the Company therefore lies in the successfulness of its products in the market, keeping market shares and driving the sales result and the job security for the people serving the ultimate parent company Harman International Industries Inc.

Targets and expectations for the year ahead

For the next financial year no major investments or financing are planned. Further improvement of the operating result is expected due to higher expected commission, fundamentally driven by the strong acceptance of the current product portfolio - including portable speaker ranges and headphone products – and the release of new products. Results however remain dependent on the development of the economy and the level of consumer confidence.

Management's Review

Research and development

The Company believes that continued investment in product research and development is critical to its success and expects to continue to devote significant resources to research and development to sustain its competitive position in the market. The R&D and product design functions are consolidated in China, in order to bundle knowledge and improve the level of new product development at more optimized cost levels. Additionally the new car audio development activities are themselves an acknowledgement of the Group-wide recognition of the need to constantly innovate.

Unusual events

The ultimate parent company Harman International Industries Inc. was purchased by Samsung at March 10, 2017.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 July - 31 December

	Note	18 months 2016/17 TDKK	12 months 2015/16 TDKK
Gross profit/loss		73,631	15,710
Staff expenses	1	-55,557	-8,224
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-13,264	-86
Profit/loss before financial income and expenses		4,810	7,400
Financial income	3	3,140	256
Financial expenses	4	-3,326	-404
Profit/loss before tax		4,624	7,252
Tax on profit/loss for the year	5	-2,940	-652
Net profit/loss for the year		1,684	6,600

Balance Sheet 31 December

Assets

	Note	18 months 2016/17 TDKK	12 months 2015/16 TDKK
Other fixtures and fittings, tools and equipment		34,282	38,160
Property, plant and equipment in progress		213	0
Property, plant and equipment	6	34,495	38,160
Deposits		211	211
Fixed asset investments	7	211	211
Fixed assets		34,706	38,371
Receivables from group enterprises		24,890	27,967
Other receivables		758	102
Corporation tax		114	1,167
Prepayments		1,227	1,285
Receivables		26,989	30,521
Cash at bank and in hand		15,421	16,638
Currents assets		42,410	47,159
Assets		77,116	85,530

Balance Sheet 31 December

Liabilities and equity

	Note	18 months 2016/17 TDKK	12 months 2015/16 TDKK
Share capital		1,550	1,550
Retained earnings		54,971	23,641
Equity		56,521	25,191
Trade payables		1,487	2,164
Payables to group enterprises		4,658	43,919
Corporation tax		1,389	25
Other payables		13,061	14,231
Short-term debt		20,595	60,339
Debt		20,595	60,339
Liabilities and equity		77,116	85,530
Distribution of profit	8		
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 July	1,550	23,641	25,191
Contribution from group	0	29,646	29,646
Net profit/loss for the year	0	1,684	1,684
Equity at 31 December	<u>1,550</u>	<u>54,971</u>	<u>56,521</u>

Cash Flow Statement 1 July - 31 December

	Note	18 months 2016/17 TDKK	12 months 2015/16 TDKK
Net profit/loss for the year		1,684	6,600
Adjustments	9	18,675	12,452
Change in working capital	10	-8,983	-15,852
Cash flows from operating activities before financial income and expenses		11,376	3,200
Financial income		3,139	256
Financial expenses		-3,326	-404
Cash flows from ordinary activities		11,189	3,052
Corporation tax paid		-522	-1,991
Cash flows from operating activities		10,667	1,061
Purchase of property, plant and equipment		-11,884	-3,669
Cash flows from investing activities		-11,884	-3,669
Repayment of payables to group enterprises		-29,646	0
Contribution from group		29,646	0
Change in cash and cash equivalents		-1,217	-2,608
Cash and cash equivalents at 1 July		16,638	19,246
Cash and cash equivalents at 31 December		15,421	16,638
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		15,421	16,638
Cash and cash equivalents at 31 December		15,421	16,638

Notes to the Financial Statements

	18 months 2016/17 <u>TDKK</u>	12 months 2015/16 <u>TDKK</u>
1 Staff expenses		
Wages and salaries	90,708	48,789
Pensions	7,503	3,953
Other staff expenses	<u>-42,654</u>	<u>-44,518</u>
	<u>55,557</u>	<u>8,224</u>
Average number of employees	<u>82</u>	<u>97</u>
<p>Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.</p>		
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation of property, plant and equipment	<u>13,264</u>	<u>86</u>
	<u>13,264</u>	<u>86</u>
<p>Which is specified as follows:</p>		
Other fixtures and fittings, tools and equipment	15,549	10,933
Reinvoiced depreciation and amortisation	<u>-2,285</u>	<u>-10,847</u>
	<u>13,264</u>	<u>86</u>
3 Financial income		
Other financial income	5	0
Exchange adjustments	<u>3,135</u>	<u>256</u>
	<u>3,140</u>	<u>256</u>

Notes to the Financial Statements

	18 months 2016/17 TDKK	12 months 2015/16 TDKK	
4 Financial expenses			
Interest paid to group enterprises	147	0	
Other financial expenses	127	149	
Exchange adjustments, expenses	3,052	255	
	3,326	404	
5 Tax on profit/loss for the year			
Current tax for the year	2,178	652	
Adjustment of tax concerning previous years	762	0	
	2,940	652	
6 Property, plant and equipment			
	Other fixtures and fittings, tools and equipment TDKK	Property, plant and equipment in progress TDKK	Total TDKK
Cost at 1 July	51,456	0	51,456
Additions for the year	11,671	213	11,884
Disposals for the year	-178	0	-178
Cost at 31 December	62,949	213	63,162
Impairment losses and depreciation at 1 July	13,296	0	13,296
Depreciation for the year	15,549	0	15,549
Impairment and depreciation of sold assets for the year	-178	0	-178
Impairment losses and depreciation at 31 December	28,667	0	28,667
Carrying amount at 31 December	34,282	213	34,495

Notes to the Financial Statements

7 Fixed asset investments

	Deposits TDKK
Cost at 1 July	211
Cost at 31 December	211
Carrying amount at 31 December	211

8 Distribution of profit

	18 months 2016/17 TDKK	12 months 2015/16 TDKK
Retained earnings	1,684	6,600
	1,684	6,600

9 Cash flow statement - adjustments

Financial income	-3,140	-256
Financial expenses	3,326	404
Depreciation, amortisation and impairment losses, including losses and gains on sales	15,549	11,659
Tax on profit/loss for the year	2,940	652
Other adjustments	0	-7
	18,675	12,452

10 Cash flow statement - change in working capital

Change in receivables	2,478	-6,980
Change in trade payables, etc	-11,461	-8,872
	-8,983	-15,852

Notes to the Financial Statements

	18 months 2016/17 <u>TDKK</u>	12 months 2015/16 <u>TDKK</u>
11 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	1,309	6,277
Between 1 and 5 years	<u>695</u>	<u>0</u>
	<u>2,004</u>	<u>6,277</u>

The lease obligations concern cars, printers and rent.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Samsung Electronics, branch of Samsung Electronics Nordic AB, Sweden, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

There are no security and contingent liabilities at 31 December 2017.

Notes to the Financial Statements

12 Related parties

Basis

Controlling interest

Harman International Industries, Inc. 400 Atlantic street, 100% Ownership of shares
Stamford, CT 06901 United States of America

Transactions

The sale of goods to group entities, has been effected at arm's length.

Consolidated Financial Statements

<u>Name</u>	<u>Place of registered office</u>
Samsung Electronics Co., Ltd.	South Korea

The Group Annual Report of Samsung Electronics Co., Ltd. may be obtained at the following address:

Samsung.com (Investor relations)

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of Harman Consumer Division Nordic A/S for 2016/17 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2016/17 are presented in TDKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

13 Accounting Policies (continued)

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Notes to the Financial Statements

13 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Samsung Electronics, branch of Samsung Electronics Nordic AB, Sweden. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	3-8	years
Other fixtures and fittings, tools and equipment	3-8	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Notes to the Financial Statements

13 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

13 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

13 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$