

# **Dyrup A/S**

Gladsaxevej 300

2860 Søborg

CVR No. 18998696

## **Annual Report 2016**

23. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 11 May 2017

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Peter Flemming Sørensen  
Chairman

## Dyrup A/S

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**Dyrup A/S**

## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Dyrup A/S for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

Søborg, 11 May 2017

### **Executive Board**

Peter Flemming Sørensen

### **Supervisory Board**

Steven Pocock  
Chairman

Peter Flemming Sørensen

Pascal Tisseyre

Michael Nielsen  
Employee Representative

Jan Hollender  
Employee Representative

Dyrup A/S

## Independent Auditor's Report

To the shareholders of Dyrup A/S

### Opinion

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

We have audited the Financial Statements of Dyrup A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis of 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 Financial 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.

### 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

### The auditor's responsibility 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

## Independent Auditor's Report

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 judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatement in 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 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 whether the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* 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 which we identify during our audit.

Hellerup, 11 May 2017

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

Martin Lunden  
State Authorised Public Accountant

Henrik Y. Jensen  
State Authorised Public Accountant

## Dyrup A/S

### Company details

<b>Company</b>	Dyrup A/S Gladsaxevej 300 2860 Søborg
CVR No.	18998696
Date of formation	18 December 1995
Registered office	Gladsaxe
Financial year	1 January 2016 - 31 December 2016
<b>Supervisory Board</b>	Steven Pocock, Chairman Peter Flemming Sørensen Pascal Tisseyre Michael Nielsen, Employee Representative Jan Hollender, Employee Representative
<b>Executive Board</b>	Peter Flemming Sørensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231
<b>Attorneys</b>	Bech-Bruun Advokatpartnerselskab
<b>Bank</b>	Danske Bank A/S Nordea Bank Danmark A/S BNP Paribas Fortis

## Management's Review

### The Company's principal activities

Dyrup A/S is a wholly-owned subsidiary of PPG Industries Inc. headquartered in Pittsburgh, USA.

The activities of Dyrup A/S comprise production and distribution of paints, wood stain products and speciality products. Our main production takes place at the factory in Søborg, Denmark, but products are also purchased within the PPG Group and from external suppliers. Distribution primarily takes place through the major DIY chains to end-users, or through Dyrup's own professional paint centres where professional decorators buy products and tools. It is Dyrup A/S's objective to be able to deliver quality products and continuously develop technologies that provide additional benefits to our customers.

### Development in activities and financial matters

The Company's Income Statement of the financial year 01-01-2016 - 31-12-2016 shows a result of DKK 43.850 and the Balance Sheet at 31-12-2016 a balance sheet total of DKK 557.563.746 and an equity of DKK 206.794.276.

### Expectations for the future

The Company expects its operation profit to be between DKK millions 40 and DKK millions 50 in 2017.

### Net profit/loss for the year compared with expected developments in the most recently published annual report

The result is lower than expectations and is mainly due to lower sales and extraordinary write down of fixed assets.

### Environmental issues

Dyrup A/S directs targeted efforts at minimising its environmental impact, both when it comes to products and the external environment impact. In 2014 additional improvements were made, which means that the total environmental impact has decreased further. In particular, energy savings have been achieved in heating systems as well as process energy. This work will continue non-stop in the years to come. The parent company PPG Industries has its own environmental management system which Dyrup A/S has committed to implementing; consequently, it has been decided not to maintain the OHS18001 certification as this would be double auditing. As regards occupational safety, considerable improvements have also benefited our employees. PPG pursues objectives of ensuring no waste to the external environment and no occupational accidents in all group enterprises world-wide.

### Research and development activities

Dyrup A/S is part of the PPG Group, where research and development is performed all over the world. PPG will continue working at developing new technologies, products and concepts to reduce environmental impacts, based on end-users' need for a logical range of quick and easy to use products and green technologies to be used in existing products.

### Intellectual capital resources

The existing and future employees of Dyrup A/S are a key asset to the Company's operations. It will therefore be pivotal that our employees have the right competences to be able also to tackle future challenges. PPG directs targeted worldwide efforts at developing its employees to meet future requirements, and Dyrup A/S is comprised by this programme. It is Management's assessment that Dyrup A/S has the right competences to develop its business positively going forward.

Dyrup A/S

## **Management's Review**

### **Diversity in management**

The representation of females/males as well as other groups at management levels are based on skills and experience. Target representation for the Board of Directors is one out of three, which is expected to be met within 2 years. Currently in the Board of Directors the representation is none, as the Board of Directors were reelected at the annual general meeting.

The Board of Directors does not have any policies for diversity in other management levels.

### **Statement on Corporate Social Responsibility**

The overall objective of the PPG Group is to have the highest standards within Corporate Social Responsibility.

Further information can be found at <http://sustainability.ppg.com/home.aspx>. Dyrup A/S has been working dilligently to make continuous improvements.

Considerable resources have been used to implement the global standards for especially environment and work environment.



## Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

*Numbers appear in thousands*

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Revenue	591.005	570.710	621.793	577.489	611.780
Profit from ordinary operating activities	9.179	7.524	38.076	16.057	23.006
Profit/loss for the year	44	-4.038	24.435	-25.741	-166.251
Net financial income and expenses	-6.081	-6.517	-6.179	-42.638	-186.796
Investment in non-current assets	12.543	17.538	15.088	7.748	4.843
Total assets	557.564	523.610	585.965	538.122	727.054
Total equity	206.794	206.750	210.788	186.352	208.731
Avg. number of full-time employees	228	229	228	238	232
Profit margin (%)	1,55	1,32	6,12	2,78	3,76
Return on equity (ROE) (%)	0,02	-1,93	12,31	-13,03	-55,94
Return on capital employed (%)	1,70	1,36	6,72	2,53	2,70
Solvency ratio (%)	37,09	39,48	35,97	34,63	28,70

For definitions of key ratios, see Accounting and Valuation Principles. Comparative figures have been adjusted based on the merger with Danish Indian Paint Company ApS in 2015.

## Accounting Policies

### Reporting Class

The Annual Report of Dyrup A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

According to section 112(2) and 86(4) of the Danish Financial Statement Act, no consolidated statement or cash flow statement have been prepared. The financial statements of Dyrup A/S and its group enterprises are included in the consolidated financial statements of PPG Industries Inc, Pittsburgh, PA 15222, USA.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, 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 term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Accounting Policies

### Income Statement

#### Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

#### Other operating income

Other operating income comprise items of a secondary nature to the principal activity of the Company.

#### Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

#### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

#### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

#### Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets recognised in the profit or loss

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values. The useful life for tangible assets are revaluated yearly.:

	Useful life
Acquired intangible assets	5-10 years
Goodwill	5 years
Land and buildings	5-50 years
Plant and machinery	3-30 years
Fixtures and fittings, tools and equipment	3-15 years

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## Accounting Policies

### Balance Sheet

#### Intangible assets

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

An impairment test is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or assets group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

#### Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Work in progress and manufactured goods are measured at manufacturing price comprising cost of goods sold and payroll costs plus indirect production costs.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

## Accounting Policies

### Provisions

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

#### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

#### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Explanation of financial ratios

Profit margin	=	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$
Return on capital employed (%)	=	$\frac{\text{Operating profit} \times 100}{\text{Avg. assets}}$
Solvency Ratio (%)	=	$\frac{\text{Equity} \times 100}{\text{Assets}}$

## Dyrup A/S

### Income Statement

	Note	2016 kr.	2015 kr.
Revenue	1	591.005.121	570.710.330
Change in inventories of finished goods, work in progress and goods for resale		10.053.845	-4.889.620
Other operating income		4.321.019	4.713.821
Raw materials and consumables used		-296.624.337	-283.661.272
Other external expenses		-125.194.771	-122.467.885
<b>Gross result</b>		<b>183.560.877</b>	<b>164.405.374</b>
Employee benefits expense	2	-123.913.048	-127.024.658
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-50.468.344	-29.856.514
<b>Profit from ordinary operating activities</b>		<b>9.179.485</b>	<b>7.524.202</b>
Other finance income	3	2.158.410	699.357
Finance expenses	4	-8.238.515	-7.216.231
<b>Profit from ordinary activities before tax</b>		<b>3.099.380</b>	<b>1.007.328</b>
Tax expense on ordinary activities	5	-3.055.530	-5.044.849
<b>Profit</b>		<b>43.850</b>	<b>-4.037.521</b>
Distribution of profit	6		

## Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
<b>Assets</b>			
Acquired intangible assets	7	6.367.147	7.180.836
<b>Intangible assets</b>		<b>6.367.147</b>	<b>7.180.836</b>
Land and buildings	8	138.105.888	165.011.893
Plant and machinery	9	58.208.284	60.268.404
Fixtures, fittings, tools and equipment	10	9.945.323	18.394.321
<b>Property, plant and equipment</b>		<b>206.259.495</b>	<b>243.674.618</b>
Long-term investments in group enterprises	11, 12	146.050.893	34.525.893
Deposits, investments	13	2.405.676	2.461.697
<b>Investments</b>		<b>148.456.569</b>	<b>36.987.590</b>
<b>Fixed assets</b>		<b>361.083.211</b>	<b>287.843.044</b>
Raw materials and consumables		14.923.617	12.486.015
Work in progress		3.627.448	7.084.280
Manufactured goods and goods for resale		61.622.706	48.112.029
<b>Inventories</b>		<b>80.173.771</b>	<b>67.682.324</b>
Short-term trade receivables		44.582.238	50.181.045
Short-term receivables from group enterprises		66.203.935	58.683.269
Deferred income	14	2.829.221	2.904.225
<b>Receivables</b>		<b>113.615.394</b>	<b>111.768.539</b>
<b>Cash and cash equivalents</b>		<b>2.691.370</b>	<b>56.316.125</b>
<b>Current assets</b>		<b>196.480.535</b>	<b>235.766.988</b>
<b>Assets</b>		<b>557.563.746</b>	<b>523.610.032</b>

Dyrup A/S

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
<b>Liabilities and equity</b>			
Contributed capital		110.000.000	110.000.000
Retained earnings		96.794.276	96.750.426
<b>Equity</b>		<b>206.794.276</b>	<b>206.750.426</b>
Provisions for deferred tax	15	7.282.369	7.750.188
Other provisions	16	1.650.000	1.997.400
<b>Provisions</b>		<b>8.932.369</b>	<b>9.747.588</b>
Payables to group enterprises		208.907.945	208.907.945
<b>Long-term liabilities other than provisions</b>	17	<b>208.907.945</b>	<b>208.907.945</b>
Debt to banks		0	6.505.830
Trade payables		89.268.922	47.539.406
Payables to group enterprises		16.503.508	1.173.546
Tax payables		3.718.548	2.437.111
Other payables		23.438.179	40.548.180
<b>Short-term liabilities other than provisions</b>		<b>132.929.156</b>	<b>98.204.073</b>
<b>Liabilities other than provisions within the business</b>		<b>341.837.101</b>	<b>307.112.018</b>
<b>Liabilities and equity</b>		<b>557.563.746</b>	<b>523.610.032</b>
Contingent liabilities	18		
Related parties	19		
Fees for auditors elected on the general meeting	20		



## Dyrup A/S

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2016	110.000.000	96.750.426	206.750.426
Profit (loss)	<u>0</u>	<u>43.850</u>	<u>43.850</u>
<b>Equity 31 December 2016</b>	<b><u>110.000.000</u></b>	<b><u>96.794.276</u></b>	<b><u>206.794.276</u></b>

The share capital has remained unchanged for the last 5 years.

## Notes

	2016	2015
<b>1. Revenue</b>		
Revenue, Denmark	445.823.515	442.225.216
Revenue, Export	145.181.606	128.485.114
	<b>591.005.121</b>	<b>570.710.330</b>
<b>2. Employee benefits expense</b>		
Wages and salaries	104.368.541	109.094.360
Post-employment benefit expense	9.900.227	10.025.730
Social security contributions	1.174.832	1.331.076
Other employee expense	8.469.448	6.573.492
	<b>123.913.048</b>	<b>127.024.658</b>
Average number of employees	228	229
<b>3. Finance income</b>		
Finance income from group enterprises	0	112.000
Other finance income	2.158.410	587.357
	<b>2.158.410</b>	<b>699.357</b>
<b>4. Finance expenses</b>		
Finance expenses arising from group enterprises	4.161.722	3.880.168
Other finance expenses	4.076.793	3.336.063
	<b>8.238.515</b>	<b>7.216.231</b>
<b>5. Tax expense</b>		
Current corporation taxes	4.303.007	2.437.111
Adjustment prior years tax	-779.658	505.770
Deferred tax	-467.819	2.101.968
	<b>3.055.530</b>	<b>5.044.849</b>
<b>6. Distribution of profit</b>		
Transferred to retained earnings	43.850	-4.037.521
	<b>43.850</b>	<b>-4.037.521</b>

## Notes

	2016	2015
<b>7. Acquired intangible assets</b>		
Cost at the beginning of the year	51.134.999	54.902.024
Disposal during the year	0	-3.767.025
<b>Cost at the end of the year</b>	<b>51.134.999</b>	<b>51.134.999</b>
Depreciation at the beginning of the year	-43.954.163	-46.433.371
Depreciation for the year	-813.689	-849.786
Reversal of prior years' impairment losses and amortisation	0	3.328.994
<b>Impairment losses and depreciation at the end of the year</b>	<b>-44.767.852</b>	<b>-43.954.163</b>
<b>Carrying amount at the end of the year</b>	<b>6.367.147</b>	<b>7.180.836</b>
<b>8. Land and buildings</b>		
Cost at the beginning of the year	241.954.652	228.812.705
Addition during the year	1.981.550	13.824.623
Disposal during the year	-6.241.219	-682.676
Transfers during the year to other items	-3.219.851	0
<b>Cost at the end of the year</b>	<b>234.475.132</b>	<b>241.954.652</b>
Depreciation at the beginning of the year	-76.942.759	-72.460.587
Depreciation for the year	-9.168.689	-4.631.270
Impairment losses for the year	-15.100.000	0
Reversal of impairment losses and amortisation of disposed assets	4.842.204	149.098
<b>Impairment losses and depreciation at the end of the year</b>	<b>-96.369.244</b>	<b>-76.942.759</b>
<b>Carrying amount at the end of the year</b>	<b>138.105.888</b>	<b>165.011.893</b>
<b>9. Plant and machinery</b>		
Cost at the beginning of the year	210.380.873	213.678.295
Addition during the year	7.708.976	111.300
Disposal during the year	-1.566.206	-3.408.722
Transfers during the year to other items	3.219.851	0
<b>Cost at the end of the year</b>	<b>219.743.494</b>	<b>210.380.873</b>
Depreciation at the beginning of the year	-150.112.469	-141.371.620
Depreciation for the year	-12.692.822	-12.039.023
Reversal of impairment losses and depreciations of disposed assets	1.270.081	3.298.174
<b>Impairment losses and depreciation at the end of the year</b>	<b>-161.535.210</b>	<b>-150.112.469</b>
<b>Carrying amount at the end of the year</b>	<b>58.208.284</b>	<b>60.268.404</b>

## Notes

	2016	2015		
<b>10. Fixtures, fittings, tools and equipment</b>				
Cost at the beginning of the year	90.197.443	90.021.435		
Addition during the year	2.851.632	3.601.928		
Disposal during the year	-19.888.636	-3.425.920		
<b>Cost at the end of the year</b>	<b>73.160.439</b>	<b>90.197.443</b>		
Depreciation at the beginning of the year	-71.803.122	-67.651.901		
Depreciations for the year	-5.418.411	-7.533.918		
Reversal of impairment losses and depreciation of disposed assets	14.006.417	3.382.697		
<b>Impairment losses and depreciation at the end of the year</b>	<b>-63.215.116</b>	<b>-71.803.122</b>		
<b>Carrying amount at the end of the year</b>	<b>9.945.323</b>	<b>18.394.321</b>		
<b>11. Long-term investments in group enterprises</b>				
Cost at the beginning of the year	94.355.893	94.355.893		
Addition during the year	111.525.000	0		
<b>Cost at the end of the year</b>	<b>205.880.893</b>	<b>94.355.893</b>		
Revaluations at the beginning of the year	-59.830.000	-59.830.000		
<b>Revaluations at the end of the year</b>	<b>-59.830.000</b>	<b>-59.830.000</b>		
<b>Carrying amount at the end of the year</b>	<b>146.050.893</b>	<b>34.525.893</b>		
<b>12. Disclosure in long-term investments in group enterprises and associates</b>				
<i>Group enterprises</i>				
<b>Name</b>	<b>Registered office</b>	<b>Share held in %</b>	<b>Equity</b>	<b>Profit</b>
Tintas Dyrup S.A.	Portugal	100,00	39.497.114	9.039.184
Dyrup Austria GmbH	Austria	100,00	9.238.945	131.565
Pinturas Dyrup	Spain	100,00	-16.257.844	-4.475.312
Plus Paint A/S	Åbyhøj	100,00	9.084.199	1.365.345
			<b>41.562.414</b>	<b>6.060.782</b>
<b>13. Deposit, investment</b>				
Cost at the beginning of the year	2.461.697	2.445.662		
Addition during the year	18.979	16.035		
Disposal during the year	-75.000	0		
<b>Cost at the end of the year</b>	<b>2.405.676</b>	<b>2.461.697</b>		
<b>Carrying amount at the end of the year</b>	<b>2.405.676</b>	<b>2.461.697</b>		

## Notes

	2016	2015
<b>14. Deferred income</b>		
Prepaid insurance	529.872	95.395
Other prepaid expenses and accrued income	2.299.349	2.808.830
<b>Balance at the end of the year</b>	<b>2.829.221</b>	<b>2.904.225</b>
<b>15. Provisions for deferred tax</b>		
Deferred tax	7.282.369	7.750.188
<b>Balance at the end of the year</b>	<b>7.282.369</b>	<b>7.750.188</b>
Intangible assets	574.492	48.899
Property, plant and equipment	7.095.405	8.165.245
Provisions	-387.528	-463.956
	<b>7.282.369</b>	<b>7.750.188</b>

The movement in deferred tax is booked in profit and loss. No deferred tax is booked directly in the equity.

**16. Other provisions**

Technical guarantees	1.650.000	1.997.400
<b>Balance at the end of the year</b>	<b>1.650.000</b>	<b>1.997.400</b>

**17. Long-term liabilities**

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	0	0	208.907.945
	<b>0</b>	<b>0</b>	<b>208.907.945</b>

**18. Contingent liabilities**

Lease obligations under operating leases within 1 year T.DKK 3.942 (2015, T.DKK 3.717) between 1 and 5 years, T.DKK 7.921 (2015, T.DKK 9.060) and after 5 years T.DKK 564 (2015, DKK 0).

Rent payments concerning contracts which is interminable T.DKK 5.416 (2015, T.DKK 6.965).

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of PPG Coatings Danmark A/S which is the administration company in the joint taxation.

## Notes

2016

2015

**19. Related parties**

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital :

PPG Industries Europe sarl, Switzerland.

The ultimate parent company is :

PPG Industries Inc, USA.

The company is included in the group annual report of PPG Industries Inc, USA. The annual report for the group can be obtained at the following address :

PPG Industries Inc,  
Pittsburgh, PA 15222  
USA

The following are related parties based on their status as boardmembers:

Chairman, Steven Pocock, 2 The Orchards, Emerson Green Lane, Emerson Green, Bristol BS16 7 AB, England

Pascal Tisseyre, 73 rue Michel Ange, 75016 Paris, France

Peter Flemming Sørensen, Nørrevej 37, 3070 Snekkersten, Denmark

Jan Hollender, Højdevej 14, 3660 Stenløse, Denmark

Michael Nielsen, Amager Landevej 42, 01. 0006, 2770 Kastrup, Denmark

Bjørn Bøjle Andersen, Stampesvej 44, 7100 Vejle, Denmark

All transactions with related parties have been conducted on arms length principles.

**20. Fees for auditors elected on the general meeting**

Statutory audit	250.000	250.000
Other assurance reports	0	18.500
Tax consultancy	0	43.000
Other services	33.250	14.745
	<b>283.250</b>	<b>326.245</b>