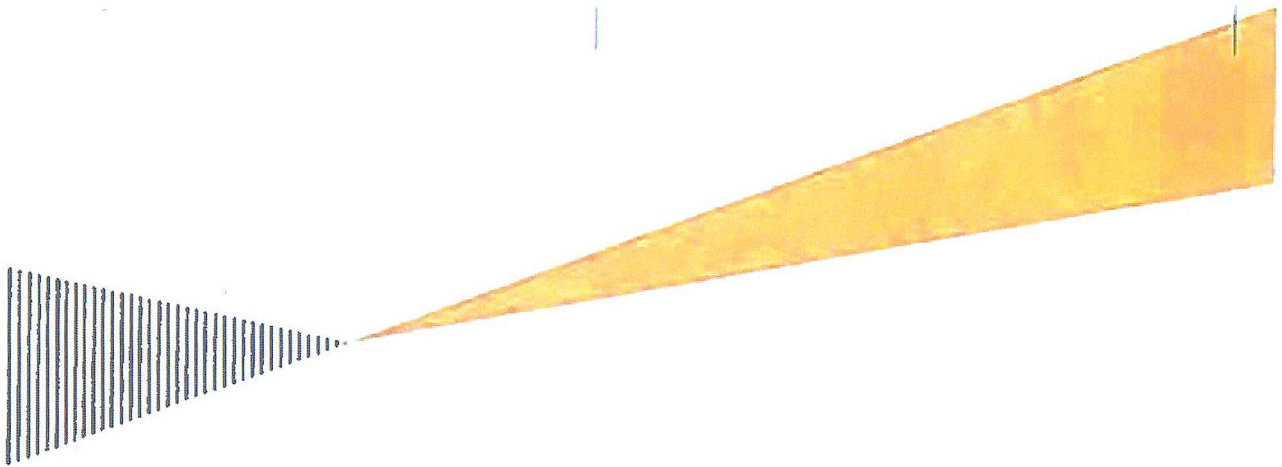


Sherwin-Williams Denmark A/S

Nystedvej 5, DK-7400 Herning

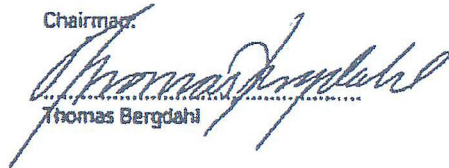
CVR No. 24 50 25 11



Annual report for the year ended 31 December 2015

Approved at the annual general meeting of shareholders on 20 May 2016

Chairman:



Thomas Bergdahl

EY

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Company details

Name	Sherwin-Williams Denmark A/S
Address, Postal code, City	Nystedvej 5, DK-7400 Herning
CVR No.	24 50 25 11
Established	1 August 1967
Registered office	Herning
Financial year	1 January - 31 December
Website	www.sherwin-williams.com
Tel.	+45 97 21 61 11
Board of Directors	Thomas Bergdahl, Chairman Christopher Michael Connor Sean Patrick Hennessy Klaus Mikkelsen
Executive Board	Klaus Mikkelsen
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Industrivej Nord 9, P O Box 360, 7400 Herning, Denmark
Bankers	Nordea Bank Danmark A/S

Operating review

The Company's business review

The Company's main activity consists of purchase, production and sale of paint, varnish and stain to the wood and furniture industries and to window manufacturers. The purchases are primarily made as intragroup purchases from entities in the Sherwin-Williams Group.

Financial review

The income statement for 2015 shows a profit of DKK 4,571,915 against a profit of DKK 3,294,150 last year, and the balance sheet at 31 December 2015 shows equity of DKK 24,089,547.

Post balance sheet events

No events have occurred after the financial year-end, which could significantly affect the company's financial position.



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 Sherwin-Williams Denmark A/S 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 matters discussed in the Management's review.

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

Herring, 19 May 2016

Executive Board:

Klaus Mikkelsen

Board of Directors:

Thomas Bergdahl
Chairman

Christopher Michael Connor

Sean Patrick Hennessy

Klaus Mikkelsen

To the shareholders of Sherwin-Williams Denmark A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Sherwin-Williams Denmark A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

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 according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by Management as well as the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 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.

Herning, 19 May 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab



Niels J. Jørgensen
state authorised public accountant

Income statement for the year ended 31 December

Notes	2015 DKK	2014 DKK
Gross profit	17,644,813	15,504,990
2 Staff costs	-10,796,403	-10,432,980
3 Depreciation of property, plant and equipment	<u>-521,740</u>	<u>-555,338</u>
Operating profit	6,326,670	4,516,672
4 Financial expenses	<u>-335,765</u>	<u>-136,308</u>
Profit before tax	5,990,905	4,380,364
5 Tax for the year	<u>-1,418,990</u>	<u>-1,086,214</u>
Profit/loss for the year	<u>4,571,915</u>	<u>3,294,150</u>
Recommended appropriation of the profit/loss for the year		
Retained earnings	<u>4,571,915</u>	<u>3,294,150</u>
	<u>4,571,915</u>	<u>3,294,150</u>

Balance sheet at 31 December

Notes	2015 DKK	2014 DKK
Assets		
Fixed assets		
Land and buildings	2,762,629	3,117,949
Other fixtures and fittings, tools and equipment	<u>1,048,572</u>	<u>1,039,903</u>
⁶ Property, plant and equipment	<u>3,811,201</u>	<u>4,157,852</u>
Total fixed assets	<u>3,811,201</u>	<u>4,157,852</u>
Current assets		
Manufactured goods and goods for resale	<u>8,500,094</u>	<u>6,854,126</u>
Inventories	<u>8,500,094</u>	<u>6,854,126</u>
Trade receivables	10,481,381	9,406,580
Receivables from group entities	2,557	9,090
Prepayments	132,645	360,472
Other receivables	<u>170,430</u>	<u>51,815</u>
Receivables	<u>10,787,013</u>	<u>9,827,957</u>
Cash	<u>6,213,382</u>	<u>7,249,437</u>
Total current assets	<u>25,500,489</u>	<u>23,931,520</u>
Total assets	<u><u>29,311,690</u></u>	<u><u>28,089,372</u></u>

Balance sheet at 31 December

Notes	2015 DKK	2014 DKK
Equity and liabilities		
Equity		
7 Share capital	3,500,000	3,500,000
Retained earnings/Accumulated loss	<u>20,589,547</u>	<u>16,017,632</u>
Total equity	<u>24,089,547</u>	<u>19,517,632</u>
Provisions		
Provisions for deferred tax	218,552	326,732
Other provisions	<u>110,000</u>	<u>0</u>
Total provisions	<u>328,552</u>	<u>326,732</u>
Liabilities		
Trade payables	507,684	481,164
Payables to group entities	1,086,992	4,223,186
Income taxes payable	0	913,565
Other payables	<u>3,298,915</u>	<u>2,627,093</u>
Short-term liabilities	<u>4,893,591</u>	<u>8,245,008</u>
Total liabilities	<u>4,893,591</u>	<u>8,245,008</u>
Total equity and liabilities	<u><u>29,311,690</u></u>	<u><u>28,089,372</u></u>

Statement of changes in equity

(DKK)	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1/1 2015	3,500,000	16,017,632	19,517,632
Profit/loss for the year, cf. appropriation of profit/loss	<u> </u>	<u>4,571,915</u>	<u>4,571,915</u>
Equity at 31/12 2015	<u>3,500,000</u>	<u>20,589,547</u>	<u>24,089,547</u>

1. Accounting policies

The annual report of Sherwin-Williams Denmark A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

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

Reporting currency

The financial statements are presented in Danish kroner.

Currency translation

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

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

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

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.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

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.

Depreciation of property, plant and equipment

The item comprises depreciation of property, plant and equipment.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

	<u>Useful life (year)</u>
Buildings	20-40
Other fixtures and fittings, tools and equipment	5-10
IT equipment	3

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

1. Accounting policies - continued

Tax

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

Balance sheet

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.

Inventories

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

Receivables

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

Prepayments

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

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc. Provisions are recognised when the company has a legal or constructive obligation as a result of a past event at the balance sheet date and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

Corporation tax

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

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

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

Liabilities

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

Other liabilities are measured at net realisable value.

Notes

	2015 DKK	2014 DKK
	<u> </u>	<u> </u>
2. Staff costs		
Analysis of staff costs:		
Wages/salaries	9,915,643	9,560,359
Pensions	797,704	783,462
Other social security costs	<u>83,056</u>	<u>89,159</u>
	<u>10,796,403</u>	<u>10,432,980</u>
3. Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	<u>521,740</u>	<u>555,338</u>
	<u>521,740</u>	<u>555,338</u>
4. Financial expenses		
Other financial expenses	<u>335,765</u>	<u>136,308</u>
	<u>335,765</u>	<u>136,308</u>
5. Tax for the year		
Estimated tax charge for the year	1,527,170	913,565
Deferred tax adjustments in the year	<u>-108,180</u>	<u>172,649</u>
	<u>1,418,990</u>	<u>1,086,214</u>

6. Property, plant and equipment

(DKK)	<u>Land and buildings</u>	<u>Other fixtures and fittings, tools and equipment</u>	<u>Total</u>
Cost			
Balance at 1/1 2015	10,226,917	6,566,759	16,793,676
Additions in the year	0	175,089	175,089
Disposals in the year	<u>0</u>	<u>-193,400</u>	<u>-193,400</u>
Cost at 31/12 2015	<u>10,226,917</u>	<u>6,548,448</u>	<u>16,775,365</u>
Depreciation and impairment losses			
Balance at 1/1 2015	7,108,968	5,526,856	12,635,824
Depreciation in the year	355,320	166,420	521,740
Reversal of depreciation and impairment losses, disposals	<u>0</u>	<u>-193,400</u>	<u>-193,400</u>
Depreciation and impairment losses at 31/12 2015	<u>7,464,288</u>	<u>5,499,876</u>	<u>12,964,164</u>
Carrying amount at 31/12 2015	<u>2,762,629</u>	<u>1,048,572</u>	<u>3,811,201</u>

	<u>31/12 2015 DKK</u>	<u>31/12 2014 DKK</u>
7. Share capital		
Analysis of the company's share capital, DKK 3,500,000 :		
100 share(s) of DKK 35,000.00 each	<u>3,500,000</u>	<u>3,500,000</u>
	<u>3,500,000</u>	<u>3,500,000</u>

The company's share capital has remained DKK 3,500,000 over the past 5 years.

8. Security for loans

No security for loans had been placed at 31 December 2015.

9. Contingent liabilities and other financial obligations

Other financial obligations

Rent and lease liabilities include liabilities under operating leases for cars, totalling DKK 679,710, with remaining contract terms of 1-2 years.

10. Related parties

Information about consolidated financial statements:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
The Sherwin-Williams Company	USA	http://investors.sherwin-williams.com/pdf/annual-reports/2015_annual_report.pdf