

Marius Pedersen Holding A/S



ANNUAL REPORT 2015

MARIUS PEDERSEN HOLDING A/S

CENTRAL BUSINESS REGISTRATION NO. 25 11 67 63



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Company Details

Company

Marius Pedersen Holding A/S

Central Business Registration No. 25 11 67 63

Registered in: Faaborg-Midtfyn, Denmark

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Board of Directors

Finn Junge Andersen, Chairman

Peter Schak Larsen, Deputy Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Executive Board

Christian Møller, CEO

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

The annual general meeting approved the annual report on / 2016

Chairman

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Marius Pedersen Holding A/S for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31.12.2015 and of the

results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ferritslev, 10 May 2016

Executive Board

Christian Møller
CEO

Board of directors

Finn Junge Andersen
Chairman

Peter Schak Larsen
Deputy Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Independent Auditor's Report

To the shareholders of Marius Pedersen Holding A/S

Report on financial statements

We have audited the financial statements of Marius Pedersen Holding A/S for the financial year 1 January to 31 December 2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity'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 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 to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

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

Odense, 10 May 2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No 33 96 35 56

Henning Jensen

State authorised

Public accountant

Ole Hansen

State authorised

Public accountant

Management Commentary

Primary activities

The Company is holding company of Marius Pedersen A/S, Denmark

Development in activities

Net income for the year after tax is DKK 142,5 million, which is a decrease of DKK 3,3 million compared to 2014.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which influence the evaluation of this annual report.

Outlook

The Company expects a continuing positive development in the activities and result.

Accounting Policies

The annual report for Marius Pedersen Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act class B with optional from class C.

The annual report was prepared according to the accounting policies applied the year before.

1. Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

2. Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

3. Statement of income

Revenue

Revenue from the sale of services, manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Administrative costs

Administrative costs comprise costs incurred for management and administration of the Group, including costs for the administrative staff and the Management, stationary and office supplies as well as depreciation and amortisation.

Financial income and expenses

These items comprise interest income and interest expenses as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Taxation

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with enterprises within the Group. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

4. Balance sheet

Goodwill on consolidation

Goodwill on consolidation is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by the Management for each business area. The period of amortisation is usually 3 to 10 years, but 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the Group's benefit from the relevant resources.

The carrying amount of goodwill on consolidation is assessed recurrently and written down to recoverable amount, if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill on consolidation is related.

Accounting Policies

Property, plant and equipment

Other tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset, until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other tools and equipment: 5 to 8 years.

Depreciation is recognised in the income statement under administrative expenses, respectively.

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or expenses, respectively.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the

enterprises' equity plus or minus unamortised goodwill or badwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Company's share of the enterprises' profits or losses after tax and elimination of unrealised intra-group profits and losses and minus or plus amortisation of goodwill or badwill on consolidation is recognised in the income statement.

Subsidiaries with negative equity are measured at zero value, and any receivables from these enterprises are written down by the Company's share of such negative equity, if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognised under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in subsidiaries and associates is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less provisions for bad debts.

Dividend

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Statement of income 2015

<i>In thousands of DKK</i>	Note	2015	2014
Administrative costs	1, 2	-4.879	-5.700
Other operating income	3	0	233
Operating profit		-4.879	-5.467
Profit on ordinary activities in group enterprises	4	146.128	150.134
Financial income	5	60	0
Financial expenses	6	-103	-219
Profit before taxation		141.206	144.448
Taxation on profit for the year	7	1.250	1.368
Profit for the year		142.456	145.816

Proposed distribution of profit / loss			
Dividends for the financial year		122.000	0
Extraordinary dividend during the financial year		0	-850.000
Transferred from reserves		0	850.000
Transfer to reserve for net revaluation under the equity method		146.128	150.134
Retained earnings		-125.672	-4.318
		142.456	145.816

Balance Sheet at 31.12.2015

<i>In thousands of DKK</i>	Note	2015	2014
Assets			
Other plants etc.	8	417	0
Property, plant and equipment		417	0
Participating interest in group enterprises	9	1.200.406	1.038.106
Non-current assets		1.200.406	1.038.106
Total non-current assets		1.200.823	1.038.106
Receivables from group enterprises		1.033	0
Tax receivable		2.543	18.023
Other receivables		0	15
Cash		934	715
Current assets		4.510	18.753
Total assets		1.205.333	1.056.859
Equity			
Share capital	10	27.977	27.977
Reserve for net revaluation according to the equity method		305.676	143.376
Retained earnings		740.913	866.585
Proposed dividends for the financial year		122.000	0
Total equity		1.196.566	1.037.938
Liabilities			
Accounts owed to group enterprises		8.010	18.003
Other payables		757	918
Current liabilities other than provisions		8.767	18.921
Total liabilities		1.205.333	1.056.859
Securities and contingent liabilities etc.	11		
Ownership	12		

Statement of change in equity

<i>In thousands of DKK</i>	Share capital	Reserve for net revaluation	Retained earnings	Proposed dividends for financial year	Total
Balance at 1 January 2014	27.977	789.632	931.271	0	1.748.880
Dividends paid	0	-789.632	789.632	0	0
Extraordinary dividend during the year	0	0	-850.000	0	-850.000
Net profit / loss for the year 2014	0	150.134	-4.318	0	145.816
Exchange rate adjustments	0	-6.758	0	0	-6.758
Balance at 31 December 2014	27.977	143.376	866.585	0	1.037.938
Balance at 1 January 2015	27.977	143.376	866.585	0	1.037.938
Net profit / loss for the year 2015	0	146.128	-125.672	122.000	142.456
Exchange rate adjustments	0	16.172	0	0	16.172
Balance at 31 December 2015	27.977	305.676	740.913	122.000	1.196.566



Notes

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Notes

1. Depreciation

<i>In thousands of DKK</i>	2015	2014
Depreciation of the year is included in the below mentioned entry		
Administrative costs	83	27
	83	27

2. Staff Costs

<i>In thousands of DKK</i>	2015	2014
Attributable to:		
Board of Directors and management		
Board remuneration and salary for management	4.500	4.025
	4.500	4.025

3. Other operating income

<i>In thousands of DKK</i>	2015	2014
Gains from disposal of tangible assets	0	233
	0	233

4. Profit on ordinary activities in group enterprises

<i>In thousands of DKK</i>	2015	2014
Group enterprises operating profit	169.388	173.394
Depreciation, consolidated goodwill	-23.260	-23.260
	146.128	150.134

5. Financial income

<i>In thousands of DKK</i>	2015	2014
Other interest income	60	0
	60	0

6. Financial expenses

<i>In thousands of DKK</i>	2015	2014
Interest expense from group enterprises	102	217
Other interest expenses	1	2
	103	219

7. Tax on profit / Loss for the year

<i>In thousands of DKK</i>	2015	2014
Current tax	-1.145	-1.368
Change previous year	-105	0
	-1.250	-1.368

Notes

8. Property, plant and equipment

<i>In thousands of DKK</i>	Other plants etc.
Balance at 1 January 2015	0
Additions during the year	500
Disposals during the year	0
Balance at 31 December 2015	500
Depreciation at 1 January 2015	0
Depreciation as to the year's disposal	0
Depreciation for the year	83
Depreciation at 31 December 2015	83
Book value at 31 December 2015	417

9. Investments in group enterprises

<i>In thousands of DKK</i>	2015	2014
Cost at 1 January	955.098	955.098
Cost price at 31 December	955.098	955.098
Net revaluation at 1 January	83.008	789.632
Exchange adjustments	16.172	-6.758
Amortisation, consolidated goodwill	-23.260	-23.260
Profit / loss for the year	169.388	173.394
Dividends paid	0	-850.000
Net revaluation at 31 December	245.308	83.008
Carrying amount at 31 December	1.200.406	1.038.106

Consolidated goodwill of TDKK 99.535 is included in book value.

Investments in group enterprises comprise:
Marius Pedersen A/S, Faaborg-Midtfyn, 100%



Notes

10. Share capital

The share capital consists of 279.770 shares at DKK 100. The shares have not been divided into classes.

There have been no changes in share capital the last five years.

11. Securities and contingent liabilities etc.

Shares in Marius Pedersen A/S, thousands DKK 68.880, have been pledged as security for bank debt amounting to thousands DKK 1.245.000.

Guarantee commitments

The Company guarantees as follows:

In thousands of DKK	2015	2014
Group enterprises' outstanding accounts with banks	29.850	0

Contingent liabilities

Joint taxation

Marius Pedersen Holding A/S and its Danish subsidiaries are jointly taxed in MP Ejendomsaktieselskab. The Company thus has secondary liability with respect to income taxes etc. and any obligation to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the Company held directly or indirectly by the ultimate parent.

12. Ownership

The following shareholders hold more than 5% of the Company's share capital:

MPWM 2014 A/S, Faaborg-Midtfyn

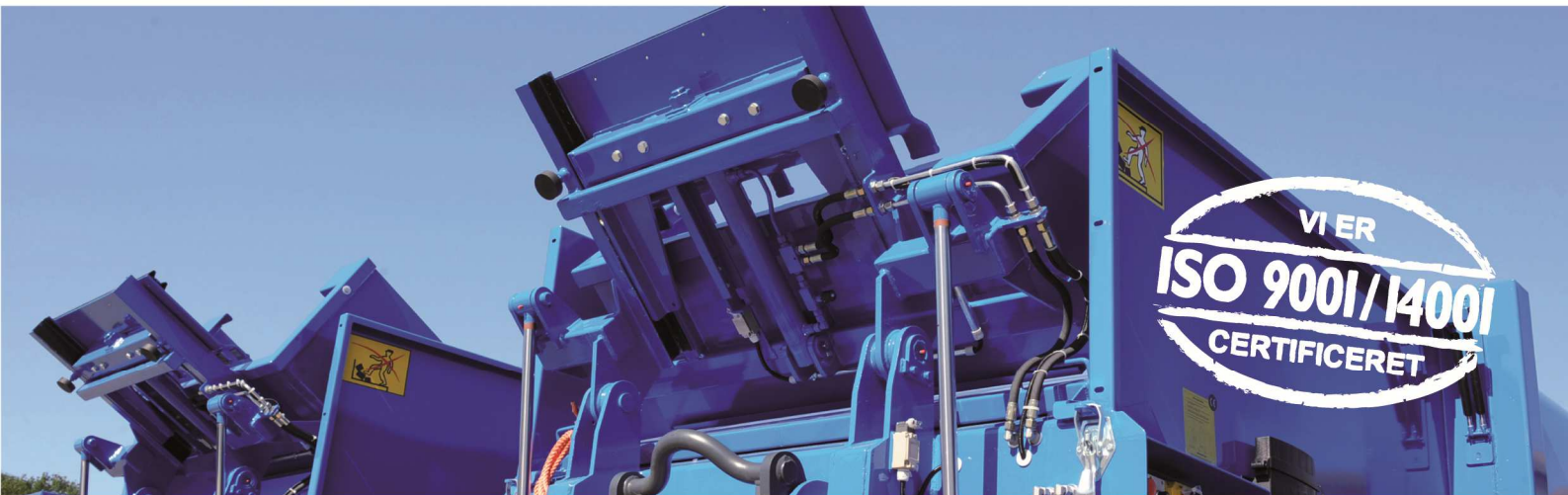
Ultimate shareholder: Entreprenør Marius Pedersens Fond, Faaborg-Midtfyn

13. Consolidation

Marius Pedersen Holding A/S group enterprises are included in the following consolidated financial statements:

MPWM 2014 A/S





Marius Pedersen 
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