
Corona Packaging ApS

Industriskellet 2, DK-2635 Ishøj

Annual Report for 1 January - 31 December 2015

CVR No 26 72 81 42

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
6 /4 2016

René Willy Nielsen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Corona Packaging ApS for the financial year 1 January - 31 December 2015.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

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

Ishøj, 6 April 2016

Executive Board

René Willy Nielsen
CEO

Peter Martin Nannerup

Board of Directors

Stefan Heinz Grote
Chairman

Karl Griessler

Flemming Krogh

Independent Auditor's Report on the Financial Statements

To the Shareholder of Corona Packaging ApS

Report on the Financial Statements

We have audited the Financial Statements of Corona Packaging ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control 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 audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Trekantområdet, 6 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

statsautoriseret revisor

Company Information

The Company

Corona Packaging ApS
Industriskellet 2
DK-2635 Ishøj

Telephone: + 45 43 56 01 00
Facsimile: + 45 43 73 26 00
Website: www.constania-corona.com

CVR No: 26 72 81 42
Financial period: 1 January - 31 December
Municipality of reg. office: Ishøj

Board of Directors

Stefan Heinz Grote, Chairman
Karl Griessler
Flemming Krogh

Executive Board

René Willy Nielsen
Peter Martin Nannerup

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

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

	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
Key figures					
Profit/loss					
Revenue	141.547	136.135	131.036	132.993	148.046
Gross profit/loss	34.648	31.707	30.031	30.540	34.994
Operating profit/loss	10.845	9.448	13.482	12.859	14.987
Profit/loss before financial income and expenses	17.682	15.957	10.928	10.183	(647)
Net profit/loss for the year	28.764	28.400	21.586	20.000	10.481
Balance sheet					
Balance sheet total	185.057	159.408	133.577	122.041	113.705
Equity	117.343	87.798	61.239	45.034	82.810
Investment in property, plant and equipment	3.367	1.663	1.821	1.714	1.924
Number of employees	30	28	27	27	29
Ratios					
Gross margin	24,5 %	23,3 %	22,9 %	23,0 %	23,6 %
Profit margin	12,5 %	11,7 %	8,3 %	7,7 %	(0,4)%
Return on assets	9,6 %	10,0 %	8,2 %	8,3 %	(0,6)%
Solvency ratio	63,4 %	55,1 %	45,8 %	36,9 %	72,8 %
Return on equity	28,0 %	38,1 %	40,6 %	31,3 %	11,2 %

For definitions, see under accounting policies.

Management's Review

The Annual Report of Corona Packaging ApS for 2015 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.

Main activity

The activities of the Company are development, production and marketing of specialty lidding materials for the food processing industry as well as development and building of the machines and tools required in the production of die cut lidding materials.

Development in the year

The income statement of the Company for 2015 shows a profit of TDKK 28,764, and at 31 December 2015 the balance sheet of the Company shows equity of TDKK 117,343.

Special risks - operating risks and financial risks

Foreign exchange risks

The major currencies are DKK and EUR. Occasional major exposures in other currencies are covered by forward exchange contracts.

Credit risks

The credit risk related to all large customers is evaluated regularly. For many years, bad debts have been very limited.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2015 of the Company and the results of the activities of the Company for the financial year for 2015 have not been affected by any unusual events.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	2015 TDKK	2014 TDKK
Revenue		141.547	136.135
Other operating income		6.837	6.509
Expenses for raw materials and consumables		(94.970)	(92.801)
Other external expenses		(18.766)	(18.136)
Gross profit/loss		34.648	31.707
Staff expenses	1	(15.230)	(13.838)
Depreciation, amortisation and impairment of property, plant and equipment	2	(1.736)	(1.912)
Profit/loss before financial income and expenses		17.682	15.957
Income from investments in subsidiaries		16.482	17.540
Financial income	3	3.093	1.704
Financial expenses	4	(4.856)	(3.305)
Profit/loss before tax		32.401	31.896
Tax on profit/loss for the year	5	(3.637)	(3.496)
Net profit/loss for the year		28.764	28.400

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	14.925	7.444
Retained earnings	13.839	20.956
	28.764	28.400

Balance Sheet 31 December

Assets

	Note	2015 TDKK	2014 TDKK
Land and buildings		3.413	3.143
Plant and machinery		5.951	4.435
Other fixtures and fittings, tools and equipment		240	395
Property, plant and equipment	6	9.604	7.973
Investments in subsidiaries	7	125.567	100.847
Fixed asset investments		125.567	100.847
Fixed assets		135.171	108.820
Inventories		12.251	13.986
Trade receivables		23.534	24.575
Receivables from group enterprises		3.006	1.917
Other receivables		162	355
Corporation tax		1.600	3.411
Receivables		28.302	30.258
Cash at bank and in hand		9.333	6.344
Currents assets		49.886	50.588
Assets		185.057	159.408

Balance Sheet 31 December

Liabilities and equity

	Note	2015 TDKK	2014 TDKK
Share capital		3.280	3.280
Retained earnings		99.138	77.074
Proposed dividend for the year		14.925	7.444
Equity	8	117.343	87.798
Provision for deferred tax	9	3.804	3.013
Provisions		3.804	3.013
Payables to group enterprises		34.721	39.053
Long-term debt	10	34.721	39.053
Trade payables		3.524	2.786
Payables to group enterprises	10	18.149	16.287
Corporation tax		3.552	6.711
Other payables		3.964	3.760
Short-term debt		29.189	29.544
Debt		63.910	68.597
Liabilities and equity		185.057	159.408
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		

Notes to the Annual Report

	2015 <u>TDKK</u>	2014 <u>TDKK</u>
1 Staff expenses		
Wages and salaries	12.609	11.523
Pensions	1.209	1.070
Other social security expenses	1.002	847
Other staff expenses	410	398
	<u>15.230</u>	<u>13.838</u>
Including remuneration to the Executive Board and Board of Directors	<u>1.910</u>	<u>1.591</u>
Average number of employees	<u>30</u>	<u>28</u>
2 Depreciation, amortisation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	1.736	1.912
	<u>1.736</u>	<u>1.912</u>
3 Financial income		
Other financial income	3.093	1.704
	<u>3.093</u>	<u>1.704</u>
4 Financial expenses		
Interest paid to group enterprises	1.512	1.701
Other financial expenses	3.344	1.604
	<u>4.856</u>	<u>3.305</u>

Notes to the Annual Report

	2015 TDKK	2014 TDKK
5 Tax on profit/loss for the year		
Current tax for the year	3.552	6.716
Deferred tax for the year	185	(3.220)
Adjustment of tax concerning previous years	(100)	0
	3.637	3.496

6 Property, plant and equipment

	Land and buildings TDKK	Plant and machinery TDKK	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 January	8.211	32.638	9.888
Additions for the year	366	2.847	154
Cost at 31 December	8.577	35.485	10.042
Impairment losses and depreciation at 1 January	5.069	28.202	9.493
Depreciation for the year	95	1.332	309
Impairment losses and depreciation at 31 December	5.164	29.534	9.802
Carrying amount at 31 December	3.413	5.951	240

According to the official property assessment at 1 October 2014, the value of the Danish land and buildings amounts to tDKK 4.150.

Notes to the Annual Report

	2015 TDKK	2014 TDKK
7 Investments in subsidiaries		
Cost at 1 January	151.057	151.057
Cost at 31 December	151.057	151.057
Value adjustments at 1 January	(50.210)	(73.377)
Exchange adjustment	8.238	5.627
Net profit/loss for the year	16.482	17.540
Value adjustments at 31 December	(25.490)	(50.210)
Carrying amount at 31 December	125.567	100.847

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Constantia Sittingbourne Ltd.	UK	4.016	100 %

8 Equity

	Share capital TDKK	Retained earnings TDKK	Proposed dividend for the year TDKK	Total TDKK
Equity at 1 January	3.280	77.076	7.444	87.800
Exchange adjustments	0	8.223	15	8.238
Ordinary dividend paid	0	0	-7.459	-7.459
Net profit/loss for the year	0	13.839	14.925	28.764
Equity at 31 December	3.280	99.138	14.925	117.343

The share capital consists of 3,280 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

Notes to the Annual Report

	2015	2014
	TDKK	TDKK
9 Provision for deferred tax		
Property, plant and equipment	295	(5)
Fixed asset investments	3.423	2.919
Inventories	86	99
	3.804	3.013

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to group enterprises

Between 1 and 5 years	34.721	39.053
Long-term part	34.721	39.053
Within 1 year	8.570	5.587
Other short-term debt to group enterprises	9.579	10.700
Short-term part	18.149	16.287
	52.870	55.340

11 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

Within 1 year	445	436
Between 1 and 5 years	537	0
	982	436

Notes to the Annual Report

12 Related parties

Consolidated Financial Statements

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

CP Goup Holding Coöperatief U.A.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Constantia Packaging AG, Østrig .

The consolidated financial statements are available at Corona Packaging ApS, Industriskellet 2, 2635 Ishøj, Denmark

Accounting Policies

Basis of Preparation

Financial Statements of Corona Packaging ApS for 2015 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.

Financial Statements for 2015 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Constantia Packaging AG, Østrig, the Company has not prepared a cash flow statement.

Recognition and measurement

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.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

Accounting Policies

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 transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue 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 consumption of raw materials and consumables consumed for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

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

Accounting Policies

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The items “Income from investments in subsidiaries in the income statement include the pro rata share of the individual subsidiaries profit/loss after full elimination of the internal profits or losses.

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.

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. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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:

Production buildings	5-25 years	
Plant and machinery	3-9 years	
Other fixtures and fittings, tools and equipment	5-12	years

Accounting Policies

Impairment of fixed assets

The carrying amounts of 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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Accounting Policies

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.

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

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

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$