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# ***ARPIPE HOLDING A/S***

c/o Per Aarsleff A/S, Lokesvej 15, DK-8230 Åbyhøj

## **Annual Report for 1 January - 31 December 2015**

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CVR No 29 20 67 67

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/5 2016

Keld Ernstsen  
Chairman

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# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ARPIPE HOLDING 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 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.

Aarhus, 31 May 2016

## **Direktion**

John Szygenda

## **Bestyrelse**

Thomas Salicath  
Chairman

Miguel Garcia Molina

Peter Godrim

# **Independent Auditor's Report on the Financial Statements**

To the Shareholders of ARPIPE HOLDING A/S

We have audited the Financial Statements of ARPIPE HOLDING A/S 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.

# **Independent Auditor's Report on the Financial Statements**

## **Opinion**

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

Aarhus, 31 May 2016

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Michael Nielsson  
State Authorised Public Accountant

Thyge Belter  
State Authorised Public Accountant

## Company Information

### The Company

ARPIPE HOLDING A/S  
c/o Per Aarsleff A/S  
Lokesvej 15  
DK-8230 Åbyhøj

CVR No: 29 20 67 67

Financial period: 1 January - 31 December

Municipality of reg. office: Aarhus

### Main activity

The Company is the holding company for OOO Arpipe which operates in trade and production of fibre glass pipes in Russia. Furthermore, on occasion the Company itself sells fibre glass pipes to Russia.

### Board of Directors

Thomas Salicath, Chairman  
Miguel Garcia Molina  
Peter Godrim

### Executive Board

John Szygenda

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
<b>Gross profit/loss</b>		<b>-95.482</b>	<b>-129.480</b>
Administrative expenses		-197.569	-327.261
<b>Operating profit/loss</b>		<b>-293.051</b>	<b>-456.741</b>
<b>Profit/loss before financial income and expenses</b>		<b>-293.051</b>	<b>-456.741</b>
Income from investments in subsidiaries		1.642.635	4.790.269
Financial income		0	7.126
Financial expenses		-25.145	-5.024
<b>Profit/loss before tax</b>		<b>1.324.439</b>	<b>4.335.630</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>1.324.439</b>	<b>4.335.630</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	1.865.200	10.500.000
Retained earnings	-540.761	-6.164.370
	<b>1.324.439</b>	<b>4.335.630</b>

## Balance Sheet 31 December

	Note	2015 DKK	2014 DKK
<b>Assets</b>			
Investments in subsidiaries	1	3.175.511	4.079.511
<b>Fixed asset investments</b>		<b>3.175.511</b>	<b>4.079.511</b>
<b>Fixed assets</b>		<b>3.175.511</b>	<b>4.079.511</b>
Receivables from group enterprises		364.297	0
Other receivables		98.204	134.540
<b>Receivables</b>		<b>462.501</b>	<b>134.540</b>
<b>Cash at bank and in hand</b>		<b>765.114</b>	<b>230.477</b>
<b>Current assets</b>		<b>1.227.615</b>	<b>365.017</b>
<b>Assets</b>		<b>4.403.126</b>	<b>4.444.528</b>
<b>Liabilities and equity</b>			
Share capital		1.000.000	1.000.000
Retained earnings		2.183.931	2.724.692
<b>Equity</b>	2	<b>3.183.931</b>	<b>3.724.692</b>
Trade payables		0	925
Other payables		1.219.195	718.911
<b>Short-term debt</b>		<b>1.219.195</b>	<b>719.836</b>
<b>Debt</b>		<b>1.219.195</b>	<b>719.836</b>
<b>Liabilities and equity</b>		<b>4.403.126</b>	<b>4.444.528</b>
Contingent assets, liabilities and other financial obligations	3		
Related parties and ownership	4		



# Notes to the Financial Statements

	2015	2014
	DKK	DKK
<b>1 Investments in subsidiaries</b>		
Cost at 1 January	4.079.511	4.079.511
Cost at 31 December	4.079.511	4.079.511
Revaluations for the year, net	-904.000	0
Value adjustments at 31 December	-904.000	0
<b>Carrying amount at 31 December</b>	<b>3.175.511</b>	<b>4.079.511</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
OOO Arpipe	Moscow, Russia	RUB 18.796.000	100%

## 2 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1.000.000	2.724.692	3.724.692
Extraordinary dividend paid	0	-1.865.200	-1.865.200
Net profit/loss for the year	0	1.324.439	1.324.439
<b>Equity at 31 December</b>	<b>1.000.000</b>	<b>2.183.931</b>	<b>3.183.931</b>

The share capital consists of 40,000 shares of a nominal value of DKK 20. No shares carry any special rights.

## 3 Contingent assets, liabilities and other financial obligations

### Contingent assets

At 31 December 2015 the Company has a tax asset of DKK 1,050k. The amount has not been recognised in the balance sheet as there is uncertainty as regards the time when the tax asset will be used.

# Notes to the Financial Statements

## 4 Related parties and ownership

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:

Per Aarsleff A/S, Lokesvej 15, DK-8230 Åbyhøj, Denmark

New Pipe Technologies ApS, Nørregade 21, DK-1165 København K, Denmark

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of ARPIPE HOLDING A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

### **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, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

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

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

### **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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.

# **Accounting Policies**

## **Income Statement**

### **Gross profit/loss**

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

### **Revenue**

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

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

### **Cost of sales**

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

### **Administrative expenses**

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

### **Income from investments in subsidiaries**

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

### **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.

# **Accounting Policies**

## **Balance Sheet**

### **Investments in subsidiaries and associates**

Investments in subsidiaries and associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### **Financial debts**

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