

**Stauning Whisky Holding ApS
Central Business Registration No
30900529
Stauningvej 38
6900 Skjern**

Annual report 2015

The Annual General Meeting adopted the annual report on 20.05.2016

Chairman of the General Meeting

Name: Jens Aage Jerslev

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	4
Accounting policies	5
Income statement for 2015	8
Balance sheet at 31.12.2015	9
Statement of changes in equity for 2015	11
Notes	12

Entity details

Entity

Stauning Whisky Holding ApS
Stauningvej 38
6900 Skjern

Central Business Registration No: 30900529

Registered in: Ringkøbing-Skjern

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Jens Aage Jerslev, chairman
David Bruce Gates
Martin Svoldgård Vesterby
Rasmus Skovmose Vestergaard

Executive Board

Alex Højrup Munch

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Stauning Whisky Holding ApS for the financial year 01.01.2015 - 31.12.2015.

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 Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that 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.

Skjern, 20.05.2016

Executive Board

Alex Højrup Munch

Board of Directors

Jens Aage Jerslev
chairman

David Bruce Gates

Martin Svoldgård Vesterby

Rasmus Skovmose Vester-
gaard

Independent auditor's reports

To the owners of Stauning Whisky Holding ApS

Report on the financial statements

We have audited the financial statements of Stauning Whisky Holding ApS for the financial year 01.01.2015 - 31.12.2015, 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 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 auditor's judgment, including the assessment of the risks of material misstatements 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 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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 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.

Aarhus, 20.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Klaus Tvede-Jensen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's objects are to make investments, including to hold shares in the subsidiary Stauning Whisky A/S, and any other activities that the Board of Directors deems to be ancillary or related thereto.

Development in activities and finances

Loss for the year amounted to DKK 916k, which is not satisfactory.

Equity amounts to DKK 26,307k at 31.12.2015.

In 2015 the Company succeeded in making Diageo invest in Stauning Whisky Holding ApS, which makes it possible to grant Stauning Whisky A/S a loan to invest in new buildings and to buy new production plant.

Events after the balance sheet date

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability 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 financial statement 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.

Income statement

Other external expenses

Other external expenses include administration costs.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises.

Income taxes

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 for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Danish subsidiary Stauning Whisky A/S. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Accounting policies

Income tax receivable or payable

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.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other external expenses		(3.556)	(3.500)
Operating profit/loss		(3.556)	(3.500)
Income from investments in group enterprises		(918.848)	1.411.534
Other financial income		7.591	0
Other financial expenses	1	(914)	(1.525)
Profit/loss from ordinary activities before tax		(915.727)	1.406.509
Tax on profit/loss from ordinary activities	2	(700)	0
Profit/loss for the year		(916.427)	1.406.509
 Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		(918.848)	1.411.534
Retained earnings		2.421	(5.025)
		(916.427)	1.406.509

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Investments in group enterprises		3.548.536	4.467.384
Fixed asset investments	3	<u>3.548.536</u>	<u>4.467.384</u>
Fixed assets		<u>3.548.536</u>	<u>4.467.384</u>
Receivables from group enterprises		3.219.557	0
Income tax receivable		0	464.700
Receivables		<u>3.219.557</u>	<u>464.700</u>
Cash		<u>19.543.554</u>	<u>0</u>
Current assets		<u>22.763.111</u>	<u>464.700</u>
Assets		<u><u>26.311.647</u></u>	<u><u>4.932.084</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	4	192.860	135.000
Reserve for net revaluation according to the equity method		1.548.536	2.467.384
Retained earnings		24.565.551	1.832.971
Equity		<u>26.306.947</u>	<u>4.435.355</u>
Debt to group enterprises		0	28.029
Income tax payable		700	464.700
Other payables		4.000	4.000
Current liabilities other than provisions		<u>4.700</u>	<u>496.729</u>
Liabilities other than provisions		<u>4.700</u>	<u>496.729</u>
Equity and liabilities		<u><u>26.311.647</u></u>	<u><u>4.932.084</u></u>
Contingent liabilities	5		
Assets charged and collateral	6		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revalua- tion accor- ding to the equity me- thod DKK	Retained earnings DKK	Total DKK
Equity beginning of year	135.000	2.467.384	1.832.971	4.435.355
Increase of capital	57.860	0	22.730.159	22.788.019
Profit/loss for the year	0	(918.848)	2.421	(916.427)
Equity end of year	192.860	1.548.536	24.565.551	26.306.947

Notes

	<u>2015 DKK</u>	<u>2014 DKK</u>	
1. Other financial expenses			
Financial expenses from group enterprises	914	1.525	
	<u>914</u>	<u>1.525</u>	
	<u>2015 DKK</u>	<u>2014 DKK</u>	
2. Tax on ordinary profit/loss for the year			
Current tax	700	0	
	<u>700</u>	<u>0</u>	
		<u>Investments in group en- terprises DKK</u>	
3. Fixed asset investments			
Cost beginning of year		2.000.000	
Cost end of year		<u>2.000.000</u>	
Revaluations beginning of year		2.467.384	
Share of profit/loss after tax		(918.848)	
Revaluations end of year		<u>1.548.536</u>	
Carrying amount end of year		<u>3.548.536</u>	
	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>
Subsidiaries:			
Stauning Whisky A/S	Skjern	A/S	100,00

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
4. Contributed capital			
A-shares	192.860	1,00	192.860
	192.860		192.860

The Company's share capital is divided into classes.

5. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

6. Assets charged and collateral

None.