
Rexam Beverage Can Fredericia A/S

Vejlbyvej 29, DK-7000 Fredericia

Annual Report for 1 January - 31 December 2015

CVR No 30 91 78 39

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
13/5 2016

Claus Erdmann
Chairman



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Management's Review	
Company Information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	8
Balance Sheet 31 December	9
Cash Flow Statement 1 January - 31 December	11
Notes to the Financial Statements	12
Accounting Policies	16

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Rexam Beverage Can Fredericia 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 and cash flows for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Fredericia, 14 April 2016

Direktion

Lars Søberg Larsen

Bestyrelse

Karl Bertil Thomas Vestergren
Chairman

Lars Søberg Larsen

Philip James Hocken

Independent Auditor's Report on the Financial Statements

To the Shareholder of Rexam Beverage Can Fredericia A/S

Report on the Financial Statements

We have audited the Financial Statements of Rexam Beverage Can Fredericia A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, cash flow statement, 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 and cash flows 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.

Trekantomraadet, 14 April 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Lars Almskou Ohmeyer
statsautoriseret revisor

Company Information

The Company

Rexam Beverage Can Fredericia A/S
Vejlbyvej 29
DK-7000 Fredericia

Telephone: 76 20 02 08

CVR No: 30 91 78 39

Financial period: 1 January - 31 December

Financial year: 9th financial year

Municipality of reg. office: Fredericia

Bestyrelse

Karl Bertil Thomas Vestergren, Chairman
Lars Søberg Larsen
Philip James Hocken

Executive Board

Lars Søberg Larsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Lawyers

Plesner
Amerikas Plads 37
DK-2100 København Ø

Bankers

Nordea
Rendebanen 13
DK-6000 Kolding

Citi Bank
4 Harbour Exchange Square
London E14 9GE

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					
Gross profit/loss	141.466	156.748	165.451	153.534	136.936
Operating profit/loss	42.617	59.194	66.417	56.894	38.700
Profit/loss before financial income and expenses	42.617	59.194	66.417	56.578	38.424
Net financials	-3.995	-3.532	-6.165	-9.888	-13.984
Net profit/loss for the year	29.442	41.875	48.504	34.983	18.316
Balance sheet					
Balance sheet total	682.124	542.055	576.162	618.209	641.035
Equity	226.819	427.377	385.502	336.998	302.014
Cash flows					
Cash flows from:					
- operating activities	111.705	84.532	89.151	84.238	59.030
- investing activities	-168.626	-4.719	-6.453	-3.323	-14.755
including investment in property, plant and equipment	-168.626	-4.719	-6.453	-3.323	-14.755
- financing activities	56.614	-82.482	-97.018	-70.844	-37.493
Number of employees	118	115	118	116	113
Ratios					
Return on assets	6,2%	10,9%	11,5%	9,2%	6,0%
Solvency ratio	33,3%	78,8%	66,9%	54,5%	47,1%
Return on equity	9,0%	10,3%	13,4%	10,9%	6,3%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

The Company's main activity is to manufacture and sell beverage cans.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 29,441,539, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 226,818,766.

The past year and follow-up on development expectations from last year

The Company expected a profit of DKK 52.6 million for 2015 before taxes. The actual profit amounted to DKK 38.6 million, which is a variance of DKK 14 million.

The profit for the year is considered satisfactory.

Special risks - operating risks and financial risks

Operating risks

The Company is assessed not to have any particular operating risks.

Market risks

The Company forms part of the Group's overall value chain as a consignment manufacturer by providing its production capacity. The Company's production is planned based on the requirements defined by the Group.

Foreign exchange risks

In our assessment, the Company is not subject to any individual foreign exchange risks.

Interest rate risks

In our assessment, the Company is not subject to any individual foreign interest rate risks.

Credit risks

In our assessment, the Company is not subject to any individual foreign credit risks.

Management's Review

Strategy and objectives

Strategy

The Company is one among many manufacturing companies which together support the Group's vision of being the leading global can maker.

The Company's overall goal is to ensure optimal utilisation of the entirely new and modern factory as well as to ensure a low rate of scrapping and the highest quality for the end customers.

Targets and expectations for the year ahead

The Company expects a profit for 2016 of approx DKK 36.7 million before taxes.

Basis of earnings

External environment

It is important for the Company to preserve and protect the environment. The Company monitors its emissions closely, which are optimised on a current basis, and the Company is constantly reducing its energy consumption.

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 and cash flows 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 DKK	2014 DKK
Gross profit/loss		141.465.708	156.747.520
Staff expenses	1	-67.098.582	-63.343.787
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-31.749.980	-34.209.821
Profit/loss before financial income and expenses		42.617.146	59.193.912
Financial income	2	701.796	176.425
Financial expenses	3	-4.696.440	-3.707.957
Profit/loss before tax		38.622.502	55.662.380
Tax on profit/loss for the year	4	-9.180.963	-13.787.041
Net profit/loss for the year		29.441.539	41.875.339

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	230.000.000
Retained earnings	29.441.539	-188.124.661
	29.441.539	41.875.339

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Land and buildings		219.992.980	226.389.526
Plant and machinery		258.800.072	282.944.633
Other fixtures and fittings, tools and equipment		490.583	784.436
Property, plant and equipment in progress		168.459.062	747.889
Tangible assets	5	647.742.697	510.866.484
Fixed assets		647.742.697	510.866.484
Stocks		9.762.067	8.985.869
Receivables from group enterprises		19.243.226	17.842.410
Other receivables		4.759.595	3.604.390
Corporation tax		0	353.503
Prepayments		616.296	402.700
Receivables		24.619.117	22.203.003
Currents assets		34.381.184	31.188.872
Assets		682.123.881	542.055.356

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		33.400.000	33.400.000
Retained earnings		193.418.766	163.977.227
Proposed dividend for the year		0	230.000.000
Equity	6	226.818.766	427.377.227
Provision for deferred tax		27.565.822	20.804.996
Provisions		27.565.822	20.804.996
Other credit institutions		2.714.101	2.406.058
Trade payables		65.470.050	20.986.589
Payables to group enterprises		347.110.291	60.496.685
Corporation tax		1.968.080	0
Other payables		10.476.771	9.983.801
Short-term debt		427.739.293	93.873.133
Debt		427.739.293	93.873.133
Liabilities and equity		682.123.881	542.055.356
Contingent assets, liabilities and other financial obligations	7		
Related parties and ownership	8		

Cash Flow Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Net profit/loss for the year		29.441.539	41.875.339
Adjustments	9	44.925.587	51.528.394
Change in working capital	10	41.430.616	-1.493.850
Cash flows from operating activities before financial income and expenses		115.797.742	91.909.883
Financial income		701.796	176.425
Financial expenses		-4.696.441	-3.707.962
Cash flows from ordinary activities		111.803.097	88.378.346
Corporation tax paid		-98.554	-3.846.019
Cash flows from operating activities		111.704.543	84.532.327
Purchase of property, plant and equipment		-168.626.193	-4.719.149
Cash flows from investing activities		-168.626.193	-4.719.149
Repayment of payables to group enterprises		286.613.607	-82.482.047
Dividend paid		-230.000.000	0
Cash flows from financing activities		56.613.607	-82.482.047
Change in cash and cash equivalents		-308.043	-2.668.869
Cash and cash equivalents at 1 January		-2.406.058	262.811
Cash and cash equivalents at 31 December		-2.714.101	-2.406.058
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		0	0
Overdraft facility		-2.714.101	-2.406.058
Cash and cash equivalents at 31 December		-2.714.101	-2.406.058

Notes to the Financial Statements

	2015	2014
	DKK	DKK
1 Staff expenses		
Wages and salaries	58.290.092	55.977.501
Pensions	5.134.982	4.926.901
Other social security expenses	1.614.797	1.870.373
Other staff expenses	2.058.711	569.012
	67.098.582	63.343.787
Average number of employees	118	115
<p>Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.</p>		
2 Financial income		
Other financial income	0	95
Exchange adjustments	701.796	176.330
	701.796	176.425
3 Financial expenses		
Interest paid to group enterprises	4.360.464	3.496.146
Other financial expenses	335.976	189.994
Exchange adjustments	0	21.817
	4.696.440	3.707.957
4 Tax on profit/loss for the year		
Current tax for the year	2.427.691	3.438.943
Deferred tax for the year	6.760.825	10.344.987
Adjustment of tax concerning previous years	-7.553	3.111
	9.180.963	13.787.041

Notes to the Financial Statements

5 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK	DKK
Cost at 1 January	263.274.505	444.231.428	6.022.914	747.889	714.276.736
Additions for the year	0	466.521	0	168.159.671	168.626.192
Transfers for the year	0	448.498	0	-448.498	0
Cost at 31 December	<u>263.274.505</u>	<u>445.146.447</u>	<u>6.022.914</u>	<u>168.459.062</u>	<u>882.902.928</u>
Impairment losses and depreciation at 1 January	36.884.979	161.286.795	5.238.478	0	203.410.252
Depreciation for the year	<u>6.396.546</u>	<u>25.059.580</u>	<u>293.853</u>	<u>0</u>	<u>31.749.979</u>
Impairment losses and depreciation at 31 December	<u>43.281.525</u>	<u>186.346.375</u>	<u>5.532.331</u>	<u>0</u>	<u>235.160.231</u>
Carrying amount at 31 December	<u>219.992.980</u>	<u>258.800.072</u>	<u>490.583</u>	<u>168.459.062</u>	<u>647.742.697</u>

Interest expenses of DKK 5.743.722 have been capitalised. The interest expenses represent the interest accrued in the construction period on the loan used for financing the construction of plant.

6 Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	33.400.000	163.977.227	230.000.000	427.377.227
Ordinary dividend paid	0	0	-230.000.000	-230.000.000
Net profit/loss for the year	0	<u>29.441.539</u>	<u>0</u>	<u>29.441.539</u>
Equity at 31 December	<u>33.400.000</u>	<u>193.418.766</u>	<u>0</u>	<u>226.818.766</u>

The share capital consists of 33,400,000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes to the Financial Statements

	2015	2014
	DKK	DKK
7 Contingent assets, liabilities and other financial obligations		
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	119.100	116.364
Between 1 and 5 years	158.800	271.516
	277.900	387.880
Liability - future investment agreements entered into	59.175.000	0

8 Related parties and ownership

Basis

Controlling interest

Rexam Overseas Holdings Ltd. Controlling shareholder

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Rexam Overseas Holdings Ltd., 4 Millbank, London SW1P 3XR, United Kingdom

Consolidated Financial Statements

The Company is incorporated in the group reporting of the Parent Company Rexam PLC.

The Group Annual Report of may be obtained at the following address:

Rexam PLC
4 Millbank, London SW1P 3XR
United Kingdom
www.rexam.com

Notes to the Financial Statements

	2015	2014
	DKK	DKK
9 Cash flow statement - adjustments		
Financial income	-701.796	-176.425
Financial expenses	4.696.440	3.707.957
Depreciation, amortisation and impairment losses, including losses and gains on sales	31.749.980	34.209.821
Tax on profit/loss for the year	9.180.963	13.787.041
	44.925.587	51.528.394
10 Cash flow statement - change in working capital		
Change in inventories	-776.199	393.650
Change in receivables	-2.769.617	4.313.277
Change in trade payables, etc.	44.976.432	-6.200.777
	41.430.616	-1.493.850

Accounting Policies

Basis of Preparation

The Annual Report of Rexam Beverage Can Fredericia A/S 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 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit

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.

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.

Amortisation, depreciation and impairment losses

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

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

Tangible assets

Tangible assets 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.

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	10-40 years
Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-6 years

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.

Stocks

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

The net realisable value of stocks 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.

Accounting Policies

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.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums.

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

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$