



**MONIER A/S  
KONG CHRISTIANS ALLE 53  
DK-9000 AALBORG  
REG. NO. 31310113**

**ANNUAL REPORT 2016**

Approved at the Company's annual general meeting on 24 April 2017

**Chairman**

A handwritten signature in blue ink, written over a horizontal line. The signature is stylized and appears to be "S. O. Jensen".

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## Company details

<b>Company</b>	Monier A/S Kong Christians Alle 53 DK-9000 Aalborg Reg. no. 31 31 01 13 Phone +45 96 31 61 00 Fax +45 96 31 61 01 Webside <a href="http://www.monier.dk">www.monier.dk</a> E-mail <a href="mailto:tag@monier.com">tag@monier.com</a>  Established: 15 February 1971 Registered office: Aalborg Financial year 1 January – 31 December
<b>Board of Directors</b>	Torbjörn Eriksson, Chairman Jørgen Nørgaard Øster, Vice Chairman Jannie Aagaard Jens A. Lydolph-Nielsen *) Jens Ove Christensen *)  *) employee representative
<b>Executive Board</b>	Jannie Aagaard
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Østre Havnegade 18 DK-9000 Aalborg
<b>Bankers</b>	Handelsbanken Østre Havnegade 14 DK-9000 Aalborg

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Monier A/S for the financial year 1 January to 31 December 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters of the result for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Aalborg, 24 April 2017

### Executive Board



Jannie Aagaard  
CEO

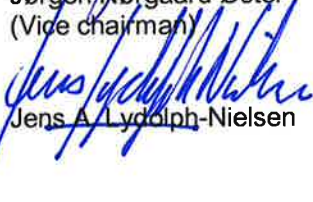
### Board of Directors



Torbjörn Eriksson  
(Chairman)



Jørgen Mørgaard Øster  
(Vice chairman)



Jens A. Lydolph-Nielsen



Jannie Aagaard



Jens Ove Christensen

## **Independent auditor's report**

### **To the shareholders of Monier A/S**

#### **Opinion**

We have audited the financial statements of Monier A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

## Independent auditor's report

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 24 April 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Steffen S. Hansen  
State Authorised  
Public Accountant



Mikkel Trabjerg Knudsen  
State Authorised  
Public Accountant

## Management's review

	2012 DKK'000	2013 DKK'000	2014 DKK'000	2015 DKK'000	2016 DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Gross profit	12,155	48,044	55,068	52,029	51,016
Operating profit/loss	-40,213	4,550	13,627	11,333	8,280
Profit from financial income and expenses	4,553	4,317	4,840	5,326	312
Profit/loss for the year	-26,833	5,848	13,958	12,660	6,615
Equity	211,673	217,521	231,479	244,139	210,754
Total assets	256,704	256,660	270,816	287,102	254,049
Investments in property, plant and equipment	874	578	8,570	5,434	12,145
Cash flows from operating activities	6,590	-2,533	29,916	19,470	16,494
Cash flows from investing activities	-874	609	-8,052	-5,434	-11,975
Cash flows from financing activities	-5,725	1,926	-1,122	-6,011	-38,944
Changes in cash and cash equivalents	-9	-5.891	20.742	8,025	-34,425
<b>Financial ratios</b>					
Return on invested capital (%)	-15.7	1.8	5.2	4.1	3.1
Return on equity (%)	-11.9	2.3	6.3	5.3	3.0
Solvency ratio (%)	82.5	84.5	85.5	85.0	83.0
No. of employees	83	73	72	70	73

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Return on invested capital	=	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$
Return on equity	=	$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$
Solvency ratio	=	$\frac{\text{Equity} \times 100}{\text{Total assets}}$



## **Management's review**

### **Operating review**

#### **Principal activities of the company**

The Company is engaged in the production and sale of roofing products and related products. The production of concrete and brick roof tiles takes place in Hersom and Volstrup. The Company moreover sells interlocking tiles from its affiliated companies in Germany and the Netherlands.

The Group, headquartered in Luxembourg, produces roofing products and related products for pitched roofs and chimney and ventilation systems. The Group is represented in more than 40 countries.

#### **Development in activities and financial matters**

The Company reported a profit before tax of DKK'000 8,592 for 2016 and the Company's balance sheet showed equity of DKK'000 210,754 at 31 December 2016. The cash flow from operating activities is DKK'000 16,494. Profit and cash flow for the year are lower than last year and especially the profit is therefore not fully satisfactory.

Monier A/S' activities is affected by a decrease in some parts of the roofing market.

#### **Particular risks**

##### **General risks**

Offering competitive prices and quality makes up the Company's most significant operating risk.

##### **Credit risks**

The Company solely provides credit to customers in the course of normal trading, and the Company's credit policy ensures that all customers are regularly credit rated. All trade receivables are insured to the extent possible.

## **Management's review**

### **Operating review**

#### **Environmental issues**

The Company is environmentally conscious and constantly strives at reducing its environmental impact from its operations.

The factory in Hersom has obtained environmental approval from the local authorities in Viborg, and the factory in Volstrup from the local authorities in Frederikshavn.

#### **Research and development activities**

The Company does not carry out any actual research and development activities but regularly strives at developing and improving its product range. In 2016 this has led to the introduction of a lightweight concrete roof tile. The sale of this tile has meet the expectations.

#### **Significant events after the balance sheet date**

No events have occurred after the balance sheet date affecting the evaluation of the annual report.

In 2017 the ultimate parent company Braas Monier Building Group S.A. has been taken over by the company Standard Industries Inc.

#### **Outlook**

The Company expects the market for 2017 to be at the same level as in 2016. The Company expects positive result and positive cash flow from operations. The Company is expected to continue big investments to develop the company.

**Income statement**

	<u>Note</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>Gross profit</b>		<b>51,107</b>	<b>52,029</b>
Distribution costs	2	-32,982	-30,868
Administrative expenses	2	-9,845	-9,828
<b>Operating profit</b>		<b>8,280</b>	<b>11,333</b>
Financial income	3	399	5,414
Financial expenses		-87	-88
<b>Profit before tax</b>		<b>8,592</b>	<b>16,659</b>
Tax on profit for the year	4	-1,977	-3,999
<b>PROFIT FOR THE YEAR</b>	5	<b>6,615</b>	<b>12,660</b>

**Balance sheet**

	<u>Note</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Land and buildings		7,826	8,594
Plant and machinery		20,566	23,173
Fixtures and fittings and equipment		2,471	436
Property, plant and equipment under construction		7,668	696
<b>Total property, plant and equipment</b>	6	<b>38,531</b>	<b>32,899</b>
<b>Total non-current assets</b>		<b>38,531</b>	<b>32,899</b>
<b>Current assets</b>			
Raw materials and consumables		11,590	12,794
Work in progress		200	260
Finished goods and goods for resale		19,770	20,050
<b>Inventories</b>		<b>31,560</b>	<b>33,104</b>
Trade receivables		14,648	17,963
Amounts owed by group enterprises		162,068	196,740
Deferred tax asset	7	6,097	5,439
Other receivables		388	392
Prepayments		744	556
<b>Receivables</b>		<b>183,945</b>	<b>221,090</b>
Cash at bank and in hand		13	9
<b>Total current assets</b>		<b>215,518</b>	<b>254,203</b>
<b>TOTAL ASSETS</b>		<b>254,049</b>	<b>287,102</b>

**Balance sheet**

	<u>Note</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		58,000	58,000
Retained earnings		143,754	146,139
Proposed dividends for the year		9,000	40,000
<b>Total equity</b>	<b>8</b>	<b><u>210,754</u></b>	<b><u>244,139</u></b>
Other provisions	9	<u>6,298</u>	<u>7,489</u>
<b>Total provisions</b>		<b><u>6,298</u></b>	<b><u>7,489</u></b>
Trade payables		13,635	10,868
Payable to group enterprises		4,779	3,966
Joint taxation contribution payable		2,635	4,217
Other payables		<u>15,948</u>	<u>16,423</u>
<b>Current liabilities other than provisions</b>		<b><u>36,997</u></b>	<b><u>35,474</u></b>
<b>EQUITY AND LIABILITIES</b>		<b><u>254,049</u></b>	<b><u>287,102</u></b>
Guarantees and other contingent liabilities	10		
Related party disclosures	11		
Shareholders	12		
Significant events after the balance sheet date	13		

**Statement of changes in equity**

<u>Notes</u>	<u>Share capital DKK'000</u>	<u>Retained earnings DKK'000</u>	<u>Proposed dividends for the financial year DKK'000</u>	<u>Total DKK'000</u>
Equity at 1 January 2015	58,000	173,479	0	231,479
Distributed dividends	0	0	0	0
Proposed profit appropriation	<u>0</u>	<u>-27,340</u>	<u>40,000</u>	<u>12,660</u>
<b>Equity at 31 December 2015</b>	<b><u>58,000</u></b>	<b><u>146,139</u></b>	<b><u>40,000</u></b>	<b><u>244,139</u></b>
Equity at 1 January 2016	58,000	146,139	40,000	244,139
Distributed dividends	0	0	-40,000	-40,000
Proposed profit appropriation	<u>0</u>	<u>-2,385</u>	<u>9,000</u>	<u>6,615</u>
<b>Equity at 31 December 2016</b>	<b><u>58,000</u></b>	<b><u>143,754</u></b>	<b><u>9,000</u></b>	<b><u>210,754</u></b>

**Cash flow statement**

	<u>Note</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Operating profit		8,280	11,333
Depreciation, amortisation and impairment losses		6,513	4,756
Profit disposal of property, plant and equipment		-170	0
Changes in provisions		-1,191	-495
Changes in working capital:			
Changes in inventories		1,544	-897
Changes in receivables		3,131	-2,034
Changes in trade payables		2,767	2,540
Changes in other payables		-475	2,651
		<u>20,399</u>	<u>17,854</u>
Financial income and expenses		312	5,326
Corporation tax paid		-4,217	-3,710
<b>Cash flows from operating activities</b>		<b><u>16,494</u></b>	<b><u>19,470</u></b>
Acquisition of property, plant and equipment		-12,145	-5,434
Profit disposal of property, plant and equipment		170	0
<b>Cash flows from investing activities</b>		<b><u>-11,975</u></b>	<b><u>-5,434</u></b>
Paid dividend		-40,000	0
Changes in receivables and amounts owed to group enterprises		1,056	-6,011
<b>Cash flows from financing activities</b>		<b><u>-38,944</u></b>	<b><u>-6,011</u></b>
<b>Changes in cash and cash equivalents</b>		<b><u>-34,425</u></b>	<b><u>8,025</u></b>
Cash equivalents in cash pool at 1 January		54,691	46,665
Cash at 1 January		9	10
<b>Cash and cash equivalents at 1 January</b>		<b><u>54,700</u></b>	<b><u>46,675</u></b>
<b>Calculated cash and cash equivalents at 31 december</b>		<b><u>20,275</u></b>	<b><u>54,700</u></b>
Cash equivalents in cash pool at 31 December		20,262	54,691
Cash at 31 December		13	9
<b>Cash and cash equivalents at 31 December</b>		<b><u>20,275</u></b>	<b><u>54,700</u></b>

## Notes to the financial statement

### 1 Accounting policies

The annual report of Monier A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has decided not to disclose remuneration of the Executive Board and the Board of Directors in accordance with section 98b (3) of the Danish Financial Statements Act.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Receivables and payables and other monetary items denominated in foreign currencies which are not settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment and the rate at the balance sheet date, respectively, are recognised in the income statement as financial income or financial expenses.

#### 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 has taken place. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

##### Other operating income and costs

Other operating income and costs comprises items secondary to the company's activities.

##### Gross profit

In accordance with section 32 of the Danish Financial Statements Act, revenue and production costs are comprised into the financial statement caption gross profit.

##### Production costs

Production costs comprise direct and indirect costs incurred in generating revenue for the year. Production costs comprise the cost of raw materials and consumables, production staff, depreciation as well as claims.

##### Distribution costs

Costs incurred in distributing goods sold and in conducting sales campaigns are recognised as distribution costs. Also, costs relating to sales and distribution staff, advertising as well as depreciation are recognised as distribution costs.



## Notes

### 1 Accounting policies (continued)

#### Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and the management, office supplies as well as depreciation and amortisation.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme.

#### Taxation

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized in equity is recognized directly in equity.

The Company is jointly taxed with the Danish group enterprises. The Danish corporation tax is allocated between profit/loss-making Danish companies in proportion to their taxable income (full absorption).

Jointly taxed companies with excess tax receive interest at least in accordance with applicable rates from the administrative company, Monier Holding ApS, just as jointly taxed companies with outstanding tax at a maximum pay surcharge in accordance with applicable rates for surcharges to the administrative company.

#### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, 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 date when it is ready to be put into operation. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less expected residual value at the end of the useful life. Depreciation is provided according to the straight-line method, based on the following expected useful lives:

Buildings	10-25 years
Plant and machinery	5-25 years
Fixtures and fittings, other plant and equipment	3-10 years

The useful life and residual value of property, plant and equipment are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

## Notes

### 1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as depreciation and impairment losses.

#### Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

When there is an indication of impairment, each asset or a group of assets is impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

#### Inventories

Inventories are measured at the lower of cost in accordance with the average cost formula and the net realisable value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs. Goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation and impairment losses regarding production machinery, buildings and equipment as well as factory administration and management. Financing costs are not included in the cost.

The net realisable value of inventories is determined taking into consideration estimated sales price less costs of completion and costs necessary to make the sale.

#### Receivables

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

#### Cash and cash equivalents

Bank deposits and drawings on group cash pool is recognised as balances with group enterprises.

#### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

#### Equity dividends

Dividends are recognised as a liability at the date when they are adopted at the annual general meeting. The proposed dividend payment for the financial year is disclosed as a separate item under equity.

#### Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

## Notes

### 1 Accounting policies (continued)

Warranties comprise obligations to make good any errors and omissions within the warranty period.

#### Lease obligations

Operating lease payments are recognised in the income statement over the term of the lease.

#### Financial liabilities

Financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realizable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

#### Cash flow statement

The cash flow statement is presented in accordance with the indirect method and shows cash flows from operating, investing and financing activities and the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as operating profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and investments as well as the acquisition, development, improvement and disposal, etc. of intangible assets, property, plant and equipment, including assets held under finance lease.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, the closing of finance leases, repayment of interest-bearing debt, acquisition of treasury shares and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities with insignificant price risks less short-term bank loans.

**Notes**

	<b>2016</b>	<b>2015</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2 Staff costs</b>		
Wages and salaries	31,661	30,852
Pensions	2,584	2,421
Other social security costs	814	790
	<u>35,059</u>	<u>34,063</u>
Staff costs are recognised as follows in the financial statements:		
Production costs	16,033	15,277
Distribution costs	13,537	13,243
Administrative expenses	5,489	5,543
	<u>35,059</u>	<u>34,063</u>
Average number of employees	<u>73</u>	<u>70</u>
<b>3 Financial income</b>		
Financial income from group enterprises	<u>399</u>	<u>5,414</u>
	<u>399</u>	<u>5,414</u>
<b>4 Tax on profit/loss for the year</b>		
Joint taxation contribution for the year	2,635	4,217
Adjustment of deferred tax	-658	-218
	<u>1,977</u>	<u>3,999</u>
<b>5 Proposed profit appropriation</b>		
Retained earnings	-2,385	-27,340
Dividend	9,000	40,000
	<u>6,615</u>	<u>12,660</u>

## Notes

## 6 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Fixtures and fittings, other plant and equipment DKK'000	Property, plant and equipment under construction DKK'000
Cost at 1 January 2016	72,149	199,649	12,486	696
Additions during the year	0	2,658	2,232	7,255
Reclassification	0	70	213	-283
Disposals during the year	0	-24	-335	0
Cost at 31 December 2016	72,149	202,353	14,596	7,668
Impairment and depreciation at 1 January 2016	63,555	176,476	12,050	0
Depreciation for the year	768	5,335	410	0
Depreciation on sold assets	0	-24	-335	0
Impairment and depreciation at 31 December 2016	64,323	181,787	12,125	0
Carrying amount 31 December 2016	7,826	20,566	2,471	7,668

## Notes

### 7 Deferred tax

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Deferred tax 1 January 2016	-5,439	-5,221
Adjustment of deferred tax for the year, income statement	-658	-218
Deferred tax at 31 December 2016	<u>-6,097</u>	<u>-5,439</u>

Deferred tax is incumbent on the following items:

Property, plant and equipment	-4,900	-3,734
Inventories	-267	-499
Warranties	-879	-1,110
Other provisions	-51	-96
	<u>-6,097</u>	<u>-5,439</u>

Based on the impairment test performed, Management expects the tax assets to be utilised through future positive earnings within 5-7 years, and Management has therefore assessed the recognition of the tax asset at 31 December 2016 in full to provide a true and fair view

### 8 Equity

#### Share capital

The share capital comprises 1 share of DKK'000 25,000 and 1 share of DKK'000 33,000.

The shares are not divided into different classes of shares. There were no changes in the share capital from 1998 – 2016.

### 9 Other provisions

	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Warranties at 1 January 2016	7,489	7,984
Used during the year	-1,141	-741
Adjustments during the year	-50	246
Warranties at 31 December 2016	<u>6,298</u>	<u>7,489</u>

The provisions are expected to be payable

Within 1 year	1,356	3,350
Within 2-5 years	4,942	4,139
	<u>6,298</u>	<u>7,489</u>

The provisions primarily relate to warranties/complaints.

## Notes

### 10 Guarantees and other contingent liabilities

The Company is under an obligation to re-establish and maintain gravel areas and re-establish clay areas. However, these areas are re-established on a regular basis. Accordingly, the Company's liabilities were computed at DKK'000 0 at 31 December 2016.

Guarantees totaling DKK'000 1,046 have been provided for the re-establishment of clay areas and gravel pit as well as for distribution payment.

For 2017 – 2018, operating leases have been entered into regarding a property with annual expenses of DKK'000 659 (for 2017); a total of DKK'000 1,337. For 2017 – 2023, operating leases have been entered into regarding IT equipment, passenger cars and trucks with annual expenses of DKK'000 1,580 (for 2017); a total of DKK'000 5,365.

The Company has provided guarantee for the Group's external financing. The guarantee corresponds to the Company's equity at 31 December 2016.

The Company is jointly taxed with the Company's Danish parent company, Monier Holding ApS, and the Company's Danish affiliated companies, Schiedel Skorstene A/S and J.A. Plastindustri A/S. The Company has joint and several unlimited liability for Danish withholding taxes on dividends, interest, royalties and corporation taxes within the joint taxation unit. Withholding taxes and corporation taxes within the joint taxation unit amounted to DKK'000 3,037 at 31 December 2016.

### 11 Related party disclosures

Related parties exercising control of Monier A/S:

- The Company's principal shareholder, Monier Holding ApS, Aalborg, Denmark, as well as higher-ranking parents, including the ultimate parent company, Braas Monier Building Group S.A., Luxembourg.

Other related parties with whom Monier A/S has had transactions in 2016:

- Companies in which the principal shareholder and other parent companies exercise control and their subsidiaries.
- The Company's Executive Board and Board of Directors.

No transactions have been carried out with the Executive Board, the Board of Directors or other related parties, apart from intra-group transactions, which have been eliminated at the preparation of the consolidated financial statements of higher-ranking parents, and the usual remuneration.

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

## Notes

### 12 Shareholders

The Company has registered the following shareholders holding more than 5% of voting rights or nominal value:

Monier Holding ApS  
Kong Christians Allé 53  
9000 Aalborg

The ultimate parent company in the Group is Braas Monier Building Group S.A., headquartered in Luxembourg. The company prepares consolidated financial statements, in which Monier A/S is incorporated as a subsidiary. The consolidated financial statements are available at the Trade Register of Luxembourg.

### 13 Significant events after the balance sheet date

No events have occurred after the balance sheet date affecting the evaluation of the annual report.

In 2017 the ultimate parent company Braas Monier Building Group S.A. has been taken over by the company Standard Industries Inc.