

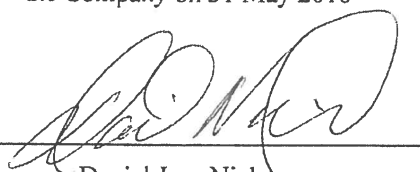
Laufen Nordic ApS

**Tømmervej 2
4600 Køge**

CVR no. 31 58 57 16

Annual report for the period 1 January to 31 December 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 31 May 2016



Daniel Jørn Nielsen
Chairman

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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 Laufen Nordic ApS for the financial year 1 January - 31 December 2015.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the result of the Company's operations for the financial year 1 January - 31 December 2015.

In our opinion, the Management's review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and the Company's financial position.

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

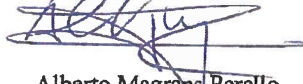
Køge, 31 May 2016

Executive Board

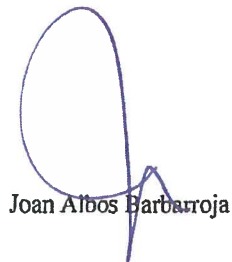


Daniel Jørn Nielsen

Board of Directors



Alberto Magrans Perello
Chairman



Joan Albos Barbarroja



Gerardo Frontera Avellana

Independent auditor's report

To the Shareholder of Laufen Nordic ApS

Independent auditor's report on the financial statements

We have audited the financial statements of Laufen Nordic ApS for the financial year 1 January - 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet 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 that 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 as to 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 judgement, 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 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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Emphasis of matter of other issues

Without modifying our opinion, we draw attention to the Management's review and note 4 to the financial statements, which state that the Company has received a letter of support from the Parent Company on 18 February 2016 in order to ensure that Laufen Nordic ApS has sufficient liquidity and financial support for the next 12 months. On this basis, the financial statements are prepared under the going concern assumption.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. 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's review is consistent with the financial statements.

København, 31 May 2016

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised Public Accountant



Management's review

Company details

Company

Laufen Nordic ApS
Tømmervej 2
4600 Køge
Denmark

Telephone: +45 56 28 72 87
Fax: +45 56 28 72 37
Website: www.dk.laufen.com

CVR no.: 31 58 57 16
Financial year: 1 January - 31 December
Incorporated: 1 July 2008
Registered office: Køge

Board of Directors

Alberto Magrans Perello, Chairman
Joan Albos Barbarroja
Gerardo Frontera Avellana

Executive Board

Daniel Jørn Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

General meeting

The annual general meeting is held on 31 May 2016 at the Company's address.

Management's review

Operating review

Main activity

The main activity of the Company is wholesale of sanitary supplies.

Development in activity and financial position

The year has seen a significant growth in sales, primarily in the Danish and Swedish markets. We have also maintained the same coverage rate as in previous year.

The loss for the year amounted to DKK 1,971 thousand (2014: DKK -814 thousand). The loss is due to extraordinary high costs for internal restructuring in the Company.

Disregarding these extraordinary costs, the Company would have provided positive results. Therefore the results are considered satisfactory and as expected.

Laufen Nordic ApS received a letter of support from the Parent Company (Roca Corporación Empresarial, S.A.) on 18 February 2016, in which it is confirmed that the Parent Company will provide the necessary cash for the Company at least for the next 12 months.

Equity at 31 December 2015, amounted to a negative of DKK 218 thousand (31 December 2014: DKK 1,753 thousand).

Management estimates that the Company will generate a profit on the Nordic Market in the coming year. Except for Sweden where we will withhold significant costs of investments in the market.

Subsequent events

Subsequent to the balancesheet date the Company has restored its lost share capital through a capital increase of nominally DKK 50,000. The new shares are subscribed at price 2,000 resulting in a capital injection of DKK 1,000,000. Hereafter the share capital amounts to DKK 250,000.

Besides the above mentioned, no events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January - 31 December

Accounting policies

The annual report of Laufen Nordic ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Income from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of goods sold

Cost of goods sold comprises costs incurred in generating the revenue for the year, including direct and indirect costs for raw materials and consumables.

Financial statements 1 January - 31 December

Accounting policies

Other external costs

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

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pension contributions, and other social security costs, etc., relating to the Company's employees. Staff costs are less government refunds received.

Financial income and expenses

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

Tax on loss for the year

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 recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. The basis of depreciation constitutes cost less expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The depreciation basis, which is computed as cost less expected residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5	years
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Gains and losses on the disposal of property, plant and equipment are determined 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 other operating income or other operating costs, respectively.

Financial statements 1 January - 31 December

Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividend

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised 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.

Financial statements 1 January - 31 December

Accounting policies

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at their expected realisable value; 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. Deferred net assets, if any, are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Deffered income

Deferred income comprises payments received in respect of income in subsequent years.

Financial statements 1 January - 31 December

Income statement

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK'000
Gross profit		4,096,493	4,885
Staff costs	1	-6,028,371	-5,185
Depreciation		-4,428	-1
Operating loss		-1,936,306	-301
Financial income		48,533	54
Financial expenses		-83,341	-70
Loss before tax		-1,971,114	-317
Tax on loss for the year	2	0	-497
Loss for the year		-1,971,114	-814
Proposed distribution of loss			
Retained earnings		-1,971,114	-814
		-1,971,114	-814

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK'000
Assets			
Fixtures and fittings, tools and equipment		7,732	12
Property, plant and equipment	3	<u>7,732</u>	<u>12</u>
Total non-current assets		<u>7,732</u>	<u>12</u>
Finished goods and goods for resale		17,487	3
Inventories		<u>17,487</u>	<u>3</u>
Trade receivables		8,547,995	2,511
Receivables from group enterprises		113,925	383
Other receivables		578,882	118
Corporation tax		0	12
Prepayments		36,444	46
Receivables		<u>9,277,246</u>	<u>3,070</u>
Cash at bank and in hand		<u>1,189,514</u>	<u>5,109</u>
Total current assets		<u>10,484,247</u>	<u>8,182</u>
Total assets		<u><u>10,491,979</u></u>	<u><u>8,194</u></u>

Financial statements 1 January - 31 December

Balance sheet

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK'000
Equity and liabilities			
Share capital		200,000	200
Retained earnings		-417,804	1,553
Total equity	4	-217,804	1,753
Trade payables		571,574	452
Payables to group enterprises		6,424,927	4,114
Other payables		3,496,271	1,838
Deferred income		217,011	37
Current liabilities other than provisions		10,709,783	6,441
Total liabilities		10,709,783	6,441
Total equity and liabilities		10,491,979	8,194
Contractual obligations, contingencies, etc.	5		

Financial statements 1 January - 31 December

Notes

	<u>2015</u>	<u>2014</u>
	DKK	DKK'000
1 Staff costs		
Salaries	5,464,269	4,691
Pension costs	361,407	301
Other social security costs	<u>202,695</u>	<u>193</u>
	<u>6,028,371</u>	<u>5,185</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

2 Tax on loss for the year		
Change for the year in deferred tax	<u>0</u>	<u>497</u>
	<u>0</u>	<u>497</u>

3 Property, plant and equipment	Fixtures and fittings, tools and equipment
	<u>DKK</u>
Cost at 1 January	32,481
Additions for the year	<u>0</u>
Cost at 31 December	<u>32,481</u>
Depreciations at 1 January	20,321
Depreciations for the year	<u>4,428</u>
Depreciations at 31 December	<u>24,749</u>
Carrying amount at 31 December 2015	<u>7,732</u>

Financial statements 1 January - 31 December

Notes

4 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	200,000	1,553,310	1,753,310
Net loss for the year	0	-1,971,114	-1,971,114
Equity at 31 December	200,000	-417,804	-217,804

The share capital consists of 2,000 shares of a nominal value of DKK 100. No shares carry any special rights.

Changes in share capital are specified as follows:

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January	200,000	150,000	150,000	125,000	125,000
Additions for the year	0	50,000	0	25,000	0
Share capital at 31 December	200,000	200,000	150,000	150,000	125,000

Laufen Nordic ApS has received a letter of support from the Parent Company (Roca Corporación Empresarial, S.A), in which it is confirmed that the Parent Company will provide the necessary cash for the Company at least for the next 12 months.

The Company has lost more than half of the share capital at 31 December 2015. The Company has restored its lost share capital through a capital increase of nominally DKK 50,000. The new shares are subscribed at price 2,000 resulting in a capital injection of DKK 1,000,000. Hereafter the share capital amounts to DKK 250,000.

Financial statements 1 January - 31 December

Notes

5 Contractual obligations, contingencies, etc.

Leasing liabilities

Laufen Nordic ApS has entered into operating leases with residual lease payments totalling DKK 645 thousand (2014: DKK 504 thousand).

Further, the Company has entered into a rental agreement with an obligation of DKK 360 thousand (2014: DKK 600 thousand).