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TEKNISK GUMMI HORSENS A/S
NORGESVEJ 6, 8700 HORSENS
ANNUAL REPORT
2015

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 25 February 2016**

Franz-Georg Heggemann

CONTENTS

	Page
Company details	
Company details.....	2
Statement and Report	
Statement by Board of Directors and Board of Executives.....	3
Independent Auditor's Report.....	4-5
Management's Review	
Management's Review	6
Financial Statements 1 January - 31 December	
Accounting Policies.....	7-11
Income Statement.....	12
Balance Sheet at.....	13-14
Notes.....	15-18

COMPANY DETAILS

Company	Teknisk Gummi Horsens A/S Norgesvej 6 8700 Horsens CVR no.: 31 74 81 94 Established: 1 September 2008 Registered Office: Horsens Financial Year: 1 January - 31 December
Board of Directors	Franz-Georg Heggemann, Formand Albert Maria Heinrich Schlüpen Dirk Johannes Odenbrett
Board of Executives	Keld Sund Nielsen Richard Duyser
Auditor	BDO Statsautoriseret revisionsaktieselskab Roms Hule 4, 1. sal 7100 Vejle
Bank	BankNordik Sundvej 101 8700 Horsens

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Teknisk Gummi Horsens A/S for the year 1 January - 31 December 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 company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the Annual General meetings.

Horsens, den 19. januar 2016

Board of Executives

Keld Sund Nielsen

Richard Duyser

Board of Directors

Franz-Georg Heggemann

Albert Maria Heinrich Schlüpen

Dirk Johannes Odenbrett

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Teknisk Gummi Horsens A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Teknisk Gummi Horsens A/S for the financial year 1 January to 31 December 2015, which comprise a summary of significant 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 as management determines is necessary to enable the preparation of financial statements 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 have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. 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 judgement, 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 opinion.

The audit has not resulted in any qualification.

INDEPENDENT AUDITOR'S REPORT

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.

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.

Vejle, den 19. januar 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Bent Skov
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Principal activities

The company's activities is production and sale of roller and roller coverings in rubber. The production takes place in the company, while the sale takes place both in the company, but also the subsidiary in Sweden.

Development in activities and financial position

The company realizes a profit of TDKK 2.759. This is considered satisfactory.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

ACCOUNTING POLICIES

The annual report of Teknisk Gummi Horsens A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

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

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

INCOME STATEMENT

Net revenue

The net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external costs

Other external costs include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Investments in subsidiaries

The income statement of the parent company recognises the proportional share of the results of each subsidiary.

ACCOUNTING POLICIES

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 7 years. The amortization over a period exceeding five years, happens when there at the time expected effect on earnings above.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Development costs and internally generated rights are recognized in the income statement as expenses in the year of acquisition.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development potential can be demonstrated and where the intention is to produce, market or use the project are recognized as intangible assets if the cost can be measured reliably and there is sufficient assurance that future earnings can cover the production, selling and administrative expenses and development costs. Other development costs are recognized in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work, which is estimated to 3 years

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

ACCOUNTING POLICIES

Tangible fixed assets

Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Production plant and machinery.....	10-15 years	0%
Other plants, fixtures and equipment.....	3-15 years	0%
Leasehold improvements.....	3-8 years	0%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company’s other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Fixed asset investments

Investments in subsidiaries are measured in the parent company balance sheet under the equity method.

Investments in subsidiaries are measured in the balance sheet at the proportional share of the enterprises’ carrying equity value, calculated in accordance with the parent company’s accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated in accordance with the acquisition method.

Net revaluation of investments in subsidiaries is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiaries, see description above under consolidated financial statements.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Current investments

Investments, recognised as current assets, comprise public quoted bonds, shares and other current investments that are measured at fair market value on the balance sheet date. Public quoted securities are measured at quoted price.

Dividend

The expected payment of dividend for the year is recognised as a separate item under the equity capital.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

The capitalised residual lease liability on finance lease contracts is also recognised as financial liabilities.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK	2014 DKK
GROSS PROFIT		18.123.481	15.510.610
Staff costs.....	1	-12.308.827	-12.331.063
Depreciation, amortisation and impairment.....		-1.947.209	-2.282.599
OPERATING PROFIT		3.867.445	896.948
Result of equity investments in group and associat.....		-111.668	92.334
Other financial income.....		106.746	56.088
Other financial expenses.....		-229.167	-949.823
PROFIT BEFORE TAX		3.633.356	95.547
Tax on profit/loss for the year.....	2	-874.295	-25.003
PROFIT FOR THE YEAR		2.759.061	70.544
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		2.759.061	70.544
TOTAL		2.759.061	70.544

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK	2014 DKK
Development projects completed.....		33.840	67.692
Goodwill.....		0	119.042
Intangible fixed assets.....	3	33.840	186.734
Production plants and machinery.....		6.822.601	8.686.025
Other plants, machinery, tools and equipment.....		66.114	117.996
Leasehold improvements.....		924.418	1.155.250
Tangible fixed assets in progress and prepayment.....		641.704	0
Tangible fixed assets.....	4	8.454.837	9.959.271
Equity investments in group enterprises.....		137.516	332.581
Rent deposit and other receivables.....		686.532	683.184
Fixed asset investments.....	5	824.048	1.015.765
FIXED ASSETS.....		9.312.725	11.161.770
Raw materials and consumables.....		5.058.696	5.200.048
Inventory.....		5.058.696	5.200.048
Trade receivables.....		6.533.908	4.879.194
Deferred tax assets.....		7.726	882.021
Other receivables.....		32.826	61.936
Prepayments and accrued income.....		0	20.430
Accounts receivable.....		6.574.460	5.843.581
Other securities and equity investments.....		2.842	2.842
Current investments.....		2.842	2.842
Cash and cash equivalents.....		1.634.390	917.983
CURRENT ASSETS.....		13.270.388	11.964.454
ASSETS.....		22.583.113	23.126.224

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK
Share capital.....		7.333.333	7.333.333
Retained profit.....		2.792.550	21.614
EQUITY.....	6	10.125.883	7.354.947
Lease liabilities.....		0	1.322.326
Long-term liabilities.....	7	0	1.322.326
Short-term portion of long-term liabilities.....	7	1.258.016	1.494.857
Trade payables.....		1.729.242	1.562.710
Payables to group enterprises.....		7.473.504	9.285.498
Other liabilities.....		1.996.468	1.891.654
Accruals and deferred income.....		0	214.232
Current liabilities.....		12.457.230	14.448.951
LIABILITIES.....		12.457.230	15.771.277
EQUITY AND LIABILITIES.....		22.583.113	23.126.224
 Contingencies etc.	 8		
Charges and securities	9		
Ownership	10		

NOTES

	2015 DKK	2014 DKK	Note
Staff costs			1
Wages and salaries.....	9.956.958	10.206.928	
Pensions.....	1.834.749	1.451.440	
Social security costs.....	312.918	307.439	
Other staff costs.....	204.202	365.256	
	12.308.827	12.331.063	
Tax on profit/loss for the year			2
Adjustment of deferred tax.....	874.295	25.003	
	874.295	25.003	
Intangible fixed assets			3
	Development projects completed	Goodwill	
Cost at 1 January 2015.....	101.544	2.359.685	
Disposal.....	-33.852	0	
Cost at 31 December 2015.....	67.692	2.359.685	
Depreciation 1 January 2014.....	0	2.240.635	
Depreciation.....	33.852	119.050	
Depreciation at 31 December 2015.....	33.852	2.359.685	
Carrying amount at 31 December 2015.....	33.840	0	
Tangible fixed assets			4
	Production plants and machinery	Other plants, machinery, tools and equipment	
Cost at 1 January 2015.....	18.753.851	422.498	
Addition.....	315.605	0	
Disposal.....	-1.011.435	0	
Cost at 31 December 2015.....	18.058.021	422.498	
Depreciation 1 January 2014.....	10.067.827	304.502	
Depreciation on disposed assets.....	-558.240	0	
Depreciation.....	1.725.833	51.882	
Depreciation and write-down at 31 December 2015.....	11.235.420	356.384	
Carrying amount at 31 December 2015.....	6.822.601	66.114	

NOTES

Note

	Leasehold improvements	Tangible fixed assets in progress and prepayment
Cost at 1 January 2015.....	2.367.840	0
Addition.....	0	641.704
Cost at 31 December 2015.....	2.367.840	641.704
Depreciation and write-down at 1 January 2015.....	1.212.590	
Depreciation.....	230.832	
Depreciation and write-down at 31 December 2015.....	1.443.422	
Carrying amount at 31 December 2015.....	924.418	641.704

Fixed asset investments

5

	Equity investments in group enterprises	Rent deposit and other receivables
Cost at 1 January 2015.....	907.176	686.532
Cost at 31 December 2015.....	907.176	686.532
Revaluation at 1 January 2015.....	-525.666	
Exchange adjustment at closing rate.....	-37.055	
Dividend.....	-95.271	
Revaluation and write-down for the year.....	-111.668	
Revaluation at 31 December 2015.....	-769.660	
Carrying amount at 31 December 2015.....	137.516	686.532

NOTES

Equity	Note 6
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	Share capital	Retained profit	Total
Equity at 1 January 2015.....	7.333.333	21.614	7.354.947
Foreign exchange adjustments.....		11.875	11.875
Proposed distribution of profit.....		2.759.061	2.759.061
Equity at 31 December 2015.....	7.333.333	2.792.550	10.125.883
			2015 DKK
Equity 1 January 2014.....			8.333.333
Equity reduction March 23, 2011.....			-1.000.000
Equity at 31 December 2015.....			7.333.333
			2015 DKK
Share capital			2014 DKK
Share capital:			
Share, 7.333 stk. a nom. 1.000 kr.....	7.333.000		7.333.000
	7.333.000		7.333.000

Long-term liabilities	1/1 2015 total liabilities	31/12 2015 total liabilities	Repayment next year	Debt outstanding after 5 years	7
Lease liabilities.....	2.817.183	1.258.016	1.258.016	0	
	2.817.183	1.258.016	1.258.016	0	

Contingencies etc.

8

The company has signed rental agreement regarding buildings until June 2019. The total liabilities amounted to T.DKK. 4.777

In addition to financial leases, which are recognized in the balance sheet, the Company has entered into operating leases with an annual lease payment of T.DKK 188. The leases have a remaining maturity up to 21 months and a total remaining lease payments T.DKK 210.

NOTES**Note****Charges and securities****9**

As security for debt to the bank DKK 0., The company has issued floating charges on nominal T.DKK 6,700 and T.DKK 5,300. The floating charge include the following assets, were the book value at the balance sheet is:

	2015	2014
Fixed assets.....	9.313	11.162
Inventory.....	5.058	5.119
Trade receivables.....	6.533	3.806

Ownership**10**

The following shareholders are recorded in the company's register of shareholders as owning more than 5% of the votes or the share capital:

Böttcher Holding GmbH
Max-Planck-Strasse 2-6
D-53501 Grafenschaft