

STO DANMARK A/S

Avedøreholmen 48
2650 Hvidovre

Årsrapport
1. januar 2016 - 31. december 2016

Årsrapporten er fremlagt og godkendt på
selskabets ordinære generalforsamling den

28/02/2017

Jan Tore Andersen
Dirigent

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Virksomhedsoplysninger

Virksomheden

STO DANMARK A/S

Avedøreholmen 48

2650 Hvidovre

Telefonnummer: 70270143

Fax: 70270146

CVR-nr: 31875382

Regnskabsår: 01/01/2016 - 31/12/2016

Bankforbindelse

Handelsbanken København City

Amaliegade 3

1256 København

DK Danmark

Revisor

ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB

Osvald Helmuths Vej 4

2000 Frederiksberg

DK Danmark

CVR-nr: 30700228

P-enhed: 1013415044

Ledelsespåtegning

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

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 Company's financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hvidovre, den 28/02/2017

Direktion

Jan Tore Andersen
Managing Director

Bestyrelse

Rainer Hüttenberger
Chairman of the board

Rolf Wöhrle
Board member

Svein Oftedal
Board member

Den uafhængige revisors påtegning på årsregnskabet

To the shareholders of STO DANMARK A/S

Konklusion

We have audited the financial statements of Sto Danmark A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Grundlag for konklusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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.

Ledelsens ansvar for regnskabet

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.

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.

Revisors ansvar for revisionen af regnskabet

Our objectives are to obtain reasonable assurance about 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 additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken on the basis of the financial statements.

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

"Identify and assess the risks of material misstatement of the 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 conclusion is 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.

Udtalelse om ledelsesberetningen

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.

Based on our procedures, 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.

København, 28/02/2017

Jesper Jørn Pedersen
stataut. revisor
ERNST & YOUNG GODKENDT
REVISIONSPARTNERSELSKAB
CVR: 30700228

Kim Thomsen
statsaut. revisor
ERNST & YOUNG GODKENDT
REVISIONSPARTNERSELSKAB
CVR: 30700228

Ledelsesberetning

Business review

The Company's primary activities consist in trade in construction materials. Production is located in the Parent Company.

Financial review

The income statement for 2016 shows a profit of DKK 682 thousand against a loss of DKK 635 thousand last year, and the balance sheet at 31 December 2016 shows equity of DKK 7,214 thousand. Management considers the Company's financial performance in the year satisfactory

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.

Outlook

Management expects a profit for the financial year 2017 and the coming years.

Anvendt regnskabspraksis

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for Regnskabsklasse B. Moreover elective choice of certain provisions applying to reporting class C entities. Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in the following areas:
Yearly reassessment of residual values of property, plant and equipment.

In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.
The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, tools and equipment	3-5 år/years years
Leasehold improvements	3-5 år/years years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance payment of tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost. A provision is made for anticipated losses at net realisable value.

Equity

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

Liabilities

Other liabilities are measured at net realisable value.

Resultatopgørelse 1. jan 2016 - 31. dec 2016

	Note	2016 kr.	2015 kr.
Bruttoresultat		12.312.334	9.634.573
Personaleomkostninger	1	-10.716.619	-10.025.396
Af- og nedskrivninger af materielle og immaterielle anlægsaktiver	2	-582.679	-335.232
Andre driftsomkostninger	3	-21.702	-10.498
Resultat af ordinær primær drift		991.334	-736.553
Andre finansielle indtægter		15.991	10.603
Øvrige finansielle omkostninger		-61.577	-17.888
Ordinært resultat før skat		945.748	-743.838
Skat af årets resultat	4	-263.798	109.154
Årets resultat		681.950	-634.684
Forslag til resultatdisponering			
Overført resultat		681.950	-634.684
I alt		681.950	-634.684

Balance 31. december 2016

Aktiver

	Note	2016 kr.	2015 kr.
Andre anlæg, driftsmateriel og inventar		1.626.003	874.845
Indretning af lejede lokaler		671.335	544.501
Materielle anlægsaktiver i alt	5	2.297.338	1.419.346
Anlægsaktiver i alt		2.297.338	1.419.346
Råvarer og hjælpematerialer		2.315.011	1.422.907
Varebeholdninger i alt		2.315.011	1.422.907
Tilgodehavender fra salg og tjenesteydelser		6.741.422	6.128.104
Tilgodehavender hos tilknyttede virksomheder		204.225	186.631
Udskudte skatteaktiver		2.069	208.513
Tilgodehavende skat		0	14.140
Andre tilgodehavender		572.560	686.166
Periodeafgrænsningsposter		276.616	552.812
Tilgodehavender i alt		7.796.892	7.776.366
Likvide beholdninger		3.432.792	6.478.218
Omsætningsaktiver i alt		13.544.695	15.677.491
Aktiver i alt		15.842.033	17.096.837

Balance 31. december 2016

Passiver

	Note	2016 kr.	2015 kr.
Registreret kapital mv.	6	501.000	501.000
Overført resultat		6.712.793	6.030.843
Egenkapital i alt		7.213.793	6.531.843
Leverandører af varer og tjenesteydelser		2.599.639	2.865.494
Gældsforpligtelser til tilknyttede virksomheder		3.244.066	5.255.257
Skyldig selskabsskat		9.215	0
Anden gæld, herunder skyldige skatter og skyldige bidrag til social sikring		2.270.858	2.071.436
Periodeafgrænsningsposter		504.462	372.807
Kortfristede gældsforpligtelser i alt		8.628.240	10.564.994
Gældsforpligtelser i alt		8.628.240	10.564.994
Passiver i alt		15.842.033	17.096.837

Egenkapitalopgørelse 1. jan 2016 - 31. dec 2016

	Registreret kapital mv. kr.	Overført resultat kr.	I alt kr.
Egenkapital, primo	501.000	6.030.843	6.531.843
Årets resultat	0	681.950	681.950
Egenkapital, ultimo	501.000	6.712.793	7.213.793

Noter

1. Personaleomkostninger

	2016 kr.	2015 kr.
Wages and salaries	9,533,815	9,001,942
Post employment benefit expense	742,398	678,932
Social security contributions	440,406	344,522
	<u>10,716,619</u>	<u>10,025,396</u>

2. Af- og nedskrivninger af materielle og immaterielle anlægsaktiver

	2016 kr.	2015 kr.
Depreciations of property, plant and equipment	582,679	335,232
	<u>582,679</u>	<u>335,232</u>

3. Andre driftsomkostninger

Other operating expenses include losses on the sale of property, plant and equipment, including other operating equipment, totalling DKK 22 thousand (2015: DKK 11 thousand).

4. Skat af årets resultat

	2016 kr.	2015 kr.
Estimated tax charge for the year	57,354	0
Deferred tax adjustments in the year	206,444	-109,154
	<u>263,798</u>	<u>-109,154</u>

5. Materielle anlægsaktiver i alt

	Fixtures, fittings, tools and equipment kr.	Leasehold improvements kr.
Cost at 1 January 2016	2,520,419	710,192
Additions in the year	1,208,833	308,980
Disposals in the year	-362,812	0
Cost at 31 December 2016	3,366,440	1,019,172
Impairment losses and Depreciation at 1 January 2016	1,645,574	165,691
Depreciation in the year	400,533	182,146
Reversal of depreciation of disposals	-305,670	0
Impairment losses and depreciation at 31 December 2016	1,740,437	347,837
Carrying amount at 31 December 2016	1,626,003	671,335

6. Registreret kapital mv.

The Company's share capital has remained DKK 501,000 over the past 5 years.

7. Oplysning om eventualforpligtelser

The Company has entered into operating leases with total remaining lease payments of DKK 1,679 thousand.

Further, the Company has an obligation of DKK 2,341 thousand at 31 December 2016 relating to rent agreements.

8. Oplysning om ejerskab

Group relations

Included in the consolidated financial statements of: STO SE & Co. KGaA, Germany.

Consolidated financial statements of Sto AG may be obtained from the Company or at the website www.sto.com

9. Information om gennemsnitligt antal ansatte

	2016	2015
Gennemsnitligt antal ansatte	20	17