BENTELER Automotive Tønder A/S

Kærgårdsvej 5
6270 Tønder

CVR no. 32 57 11 90

Annual report 2016

The annual report was presented and approved at the Company's annual general meeting on

29 March 2017

chairman

Contents

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 BENTELER Automotive Tønder A/S for the financial year 1 January – 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 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 development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Tønder, 29 March 2017
Executive Board:

Morten Elkjær
Christensen

Board of Directors:

Dr. Henning von Watzdorf Chairman	Saskia Schumacher	Petr Marijczuk
Jeton Lapi		

KPMG

Independent auditor's report

To the shareholders of BENTELER Automotive Tønder A/S

Opinion

We have audited the financial statements of BENTELER Automotive Tønder A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity 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 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.

KPMG

Independent auditor's report

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 users made on the basis of these financial statements.

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.

KPMG

Independent auditor's report

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.

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.

Kolding, 29 March 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Nikolaj Møller Hansen State Authorised Public Accountant	Michael E. K. Rasmussen State Authorised Public Accountant

Management's review

Company details

BENTELER Automotive Tønder A/S
Kærgårdsvej 5
6270 Tønder

CVR no.:	32 57 11 90
Established:	1 November 2009
Registered office:	Tønder
Financial year:	1 January – 31 December

Board of Directors

Dr. Henning von Watzdorf, Chairman
Saskia Schumacher
Petr Marijczuk
Jeton Lapi

Executive Board

Morten Elkjær Christensen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Jupitervej 4, st.
DK-6000 Kolding

Annual general meeting

The annual general meeting will be held on 29 March 2017.

Management's review

Financial highlights

DKKm	2016	2015	2014	2013	2012
Key figures					
Revenue	444	471	465	474	480
Gross profit	137	140	130	159	130
Operating profit	5	9	12	52	15
Profit/loss from financial income and expenses	-1	-1	-1	-1	0
Profit for the year	3	6	12	42	15
Fixed assets	93	92	87	68	61
Current assets	102	124	113	133	132
Total assets	195	216	200	201	192
Share capital	1	1	1	1	1
Equity	78	75	69	56	75
Provisions	6	6	4	5	7
Non-current liabilities other than provisions	0	0	0	0	15
Current liabilities other than provisions	111	136	127	139	96
Investment in property, plant and equipment	18	18	28	20	17
Ratios					
Gross margin	30.9%	29.6%	27.9%	33.7%	27.0%
Operating margin	1.1%	1.8%	2.6%	11.0%	3.2%
Return on invested capital	2.4%	4.1%	6.4%	29.7%	8.6%
Current ratio	92.0%	91.8%	88.7%	95.4%	137.4%
Return on equity	3.7%	8.7%	19.5%	63.8%	22.0%
Solvency ratio	39.8%	34.6%	34.4%	28.1%	38.8%

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 have been calculated as follows:

Gross margin $$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$$

Operating margin $$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on invested capital $$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio $$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Invested capital: Operating intangible assets and property, plant and equipment plus net working capital

Return on equity $$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Management's review

Financial highlights

Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Management's review

Operating review

Principal activities of the Company

BENTELER Automotive Tønder A/S is primarily engaged in the production and sale of aluminium parts for the car industry.

Development in activities and financial position

Revenue for the year came in at DKK 444.2 million. Profit after tax reached DKK 2.8 million. The profit was not in line with Management's expectations.

Profit for the year was affected by auxiliary costs arising from the launch of production of new products and implementation of new IT systems, which brought about an increase in depreciation and maintenance costs from DKK 13.5 million and DKK 16.1 million, respectively in 2015 to DKK 16.6 million and DKK 23.4 million, respectively in 2016.

Management does not consider the profit for the year satisfactory.

Outlook

Management is of the opinion that the internal improvements to be implemented during 2017 will have a positive impact on the Company's results for 2017.

Risks

Financial risks

As a result of its solvency and capital resources, the Company is, only to a limited extent, exposed to changes in the interest rate level. However, the Company is exposed to foreign exchange risks with regard to day-to-day operations.

Foreign exchange risks

The Company's invoicing is made in EUR and DKK. Most purchases are made in EUR. As purchases and sales, to a wide extent, are settled in the same currencies, Management is of the opinion that the Company is not subject to any substantial currency exposure.

Credit risks

No customer or business relation poses any significant risk to the Company.

Management's review

Operating review

Intellectual capital

In order to enjoy continuous growth, the Company must be able to attract and retain a highly skilled workforce.

To ensure high and at the same time competitive product quality, the Company makes use of state-of-the-art and automated production processes, which requires a high competence level. As a consequence, the Company invests heavily in additional training of its employees. The Company strives at filling vacancies with internal candidates to promote personal development of its employees.

Environment

The Company's production primarily comprises the processing and assembly of components from sub-suppliers, and Management is therefore of the opinion that the Company's impact on the external environment is limited. In general, it is the Company's policy to reduce this impact to a level considered financially fair and reasonable.

Corporate social responsibility

Human rights and climate impact

The Company has no specific policies governing corporate social responsibility, human rights or climate impact.

Goals and policies for the underrepresented gender

The Company is of the opinion that diversification among its employees, including gender quotation, contributes positively to the working environment and strengthens performance and competitiveness.

The Company's goal is that the underrepresented gender is to account for 33% of the board members (that is one member). At present, one board member is a woman, and the underrepresented gender now accounts for 25% of the board members.

Of other executive positions, including the Executive Board and top management, a rate of 38% is held by women, accounting for a decrease of 12% on 2015.

For the purpose of employment and recruitment for executive positions, the Company intends to hire candidates from the underrepresented gender provided that both male and female candidates with the relevant qualifications are represented. The principle applies to both internal as well as external vacancies.

Management's review

Operating review

Research and development activities

Together with car manufacturers, the Company undertakes regular product development. Research and development are recognised as an expense in the income statement prompted by the uncertainty surrounding future earnings.

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Income statement

DKK'000	Note	2016	2015
Revenue	2	444,185	471,449
Cost of goods sold		-287,177	-319,990
Other operating income	3	21,735	26,900
Other external costs		-41,353	-38,775
Gross profit		137,390	139,584
Staff costs	4	-115,797	-117,506
Depreciation, amortisation and impairment losses		-16,557	-13,492
Operating profit		5,036	8,586
Financial income	5	746	912
Financial expenses	6	-2,172	-1,489
Profit before tax		3,610	8,009
Tax on profit for the year	7	-772	-1,767
Profit for the year	8	2,838	6,242

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Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	9		
Acquired patents and licenses		3,499	158
		3,499	158
Property, plant and equipment	10		
Land and buildings		15,052	15,101
Plant and machinery		56,270	65,723
Fixtures and fittings, tools and equipment		3,217	1,565
Property, plant and equipment in progress		14,972	9,158
		89,511	91,547
Total fixed assets		93,010	91,705
Current assets			
Inventories			
Raw materials and consumables		20,662	21,702
Work in progress		34,156	33,880
Finished goods and goods for resale		4,814	8,654
		59,632	64,236
Receivables			
Trade receivables		35,243	37,510
Receivables from group entities		2,337	3,804
Other receivables		3,520	15,598
Corporation tax	11	1,526	3,066
Prepayments		174	191
		42,800	60,169
Cash at bank and in hand		0	30
Total current assets		102,432	124,435
TOTAL ASSETS		195,442	216,140

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		500	500
Retained earnings		77,230	74,392
Total equity		77,730	74,892
Provisions			
Provisions for deferred tax	12	6,037	5,673
Other provisions	13	374	0
Total provisions		6,411	5,673
Liabilities other than provisions			
Current liabilities other than provisions			
Prepayments received from customers		2,014	5,046
Trade payables		62,662	71,144
Payables to group entities		23,475	40,787
Other payables		23,150	18,598
		111,301	135,575
Total liabilities other than provisions		111,301	135,575
TOTAL EQUITY AND LIABILITIES		195,442	216,140
Fees to auditor appointed at the general meeting	14		
Contractual obligations, contingencies, etc.	15		
Related party disclosures	16		
Disclosure of events after the balance sheet date	17		

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Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	500	74,392	74,892
Transferred over the profit appropriation	0	2,838	2,838
Equity at 31 December 2016	500	77,230	77,730

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of BENTELER Automotive Tønder A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C large 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 intangible assets and 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.

Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of BENTELER International AG, Austria.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects profit or loss.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement on a regular basis.

Change in the fair value of derivative financial instruments, that is used for hedging of net investment in independent foreign subsidiaries is recognised directly in the equity.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

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

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding refunds from public authorities.

Staff costs also include costs for recruitment agencies relating to the use of temporary workers.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Company is jointly taxed with Danish affiliated companies in the BENTELER Group. Current Danish corporation tax is allocated by the settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable contribution between the jointly taxed companies in proportion to their taxable income (full absorption with refunds for tax loses).

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

Intangible assets

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

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 purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

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 any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
Plant and machinery	10 years
Fixtures and fittings, tools and equipment	5-10 years

The useful life and residual value 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 in progress are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

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

Impairment of fixed assets

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

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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.

Finished 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 of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

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

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, 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 forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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 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 or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Segment information

Information is provided on geographical markets only, as the Company operates within the same business segment. Segment information is based on the Company's accounting.

Financial statements 1 January – 31 December

Notes

2 **Segment information**

Geographical – primary segment

DKK'000	Germany	Other European countries	North America	Total
2016				
Revenue	360,930	79,351	3,904	444,185
2015				
Revenue	399,123	68,833	3,494	471,449

DKK'000	2016	2015
3 **Other operating income**		
Sale of development and research activities	15,627	20,083
Contract manufacturing	4,452	6,817
Other operating income	1,656	0
	21,735	26,900
4 **Staff costs**		
Wages and salaries	105,936	108,391
Pensions	7,645	8,113
Other social security costs	2,216	1,002
	115,797	117,506
Average number of full-time employees	232	221

"Wages and salaries" for 2016 include an amount of DKK 12,884 thousand regarding cost of recruitment agencies arising from the use of temporary workers (2015: DKK 20,482 thousand).

Remuneration, including pensions, of the Company's Executive Board of DKK 1,095 thousand are included in staff costs (2015: DKK 975 thousand).

Financial statements 1 January – 31 December

Notes

DKK'000		2016	2015
5	**Financial income**		
	Exchange gains	746	863
	Interest, group entities	0	1
	Other financial income	0	48
		746	912
6	**Financial expenses**		
	Exchange loss	1,130	790
	Interest, group entities	974	628
	Other financial expense	68	71
		2,172	1,489
7	**Tax on profit for the year**		
	Specified as follows:		
	Tax on profit for the year	-143	0
	Adjustment for deferred tax	-364	-1,782
	Effect of reduction of the corporation tax rate on deferred tax	0	265
	Tax regarding previous years	-265	-250
		-772	-1,767
8	**Proposed profit appropriation**		
	Retained earnings	2,838	6,242

Financial statements 1 January – 31 December

Notes

9 Intangible assets

DKK'000	Acquired patents and licenses
Cost at 1 January	3,230
Transferred	4,784
Cost at 31 December 2016	8,014
Amortisation and impairment losses at 1 January 2016	-3,072
Additions	-1,443
Amortisation and impairment losses at 31 December 2016	-4,515
Carrying amount at 31 December 2016	3,499

10 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixture and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2016	37,001	118,014	5,812	9,158	169,985
Additions for the year	0	0	0	17,924	17,924
Transferred	3,061	1,645	2,620	-12,110	-4,784
Disposals for the year	0	0	-170	0	-170
Cost at 31 December 2016	40,062	119,659	8,262	14,972	182,955
Depreciation and impairment losses at 1 January 2016	-21,900	-52,291	-4,247	0	-78,438
Depreciation	-3,110	-11,098	-907	0	-15,115
Disposals	0	0	109	0	109
Depreciation and impairment losses at 31 December 2016	-25,010	-63,389	-5,045	0	-93,444
Carrying amount at 31 December 2016	15,052	56,270	3,217	14,972	89,511

11 Corporation tax

DKK'000	2016	2015
Corporation tax payable at 1 January	3,066	4,278
Corporation tax paid for the year	-1,540	-1,212
	1,526	3,066

Financial statements 1 January – 31 December

Notes

DKK'000		2016	2015
12	**Provision for deferred tax**		
	Deferred tax at 1 January	5,673	3,998
	Adjustment joint taxation	0	158
	Adjustments for the year	364	1,782
	Reduction of Danish corporation tax rate to 22%	0	-265
		6,037	5,673
13	**Other provisions**		
	Warranties	374	0
14	**Fees to auditor appointed at the general meeting**		
	Fees for statutory audit services	261	261
	Assurance engagements	45	45
	Tax advisory	0	22
	Other services	50	50
		356	378

15 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other Danish group companies. As a wholly owned subsidiary, the Company is, together with other companies in the joint taxation, liable for all corporate taxes in the joint taxation.

Lease liablilities

The Company has entered into operating leases with a remaining lease period of 48 months. The remaining lease obligation totals DKK 3,043 thousand.

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Notes

16 Related party disclosures

BENTELER Automotive Tønder A/S' related parties comprise the following:

Control

BENTELER International Aktiengesellschaft, Schillerstrasse 25, 5020 Salzburg, Austria holds the entire share capital of the Company.

BENTELER Automotive Tønder A/S is part of the consolidated financial statements of BENTELER International Aktiengesellschaft, which is the only group in which the Company is included as a subsidiary.

The consolidated financial statements of BENTELER International Aktiengesellschaft can be obtained by contacting the Company or at the following website: www.benteler.com.

Related party transactions

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.

17 Disclosure of events after the balance sheet date

No events have occured since the balance sheet date, which materially affects the Company's financial position.