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Pro Design Investment A/S
Central Business Registration No 34621713
Jægersborg Alle 4
2920 Charlottenlund

Annual report 2015

The Annual General Meeting adopted the annual report on 30.05.2016

Chairman of the General Meeting

Name: Henrik Danmark

Contents

Entity details

Entity
Pro Design Investment A/S
Jægersborg Alle 4
2920 Charlottenlund

Central Business Registration No: 34621713
Registered in: Gentofte
Financial year: 01.01.2015 - 31.12.2015

Board of Directors
Søren Jespersen, Chairman
Niels Henrik Jensen
Dion Møberg Eriksen
Thomas Marstrand
Henrik Danmark

Executive Board
Thomas Marstrand

Entity auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Frodesgade 125
6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Pro Design Investment A/S for the financial year 01.01.2015 - 31.12.2015.

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 Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Charlottenlund, 29.02.2016

Executive Board

Thomas Marstrand

Board of Directors

Søren Jespersen Chairman	Niels Henrik Jensen	Dion Møberg Eriksen
Thomas Marstrand	Henrik Danmark	

Independent auditor's reports

To the owners of Pro Design Investment A/S
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Pro Design Investment A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2015, and of the results of their operations and the Group’s cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Esbjerg, 29.02.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Jørn Jepsen	Kim Ladegaard
State Authorised Public Accountant	State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Financial highlights

	2015 DKK'000	2014 DKK'000	2012/13 DKK'000
Key figures			
Revenue	390.916	294.050	0
Gross profit/loss	110.258	92.167	94.388
Resultat af ordinær primær drift	0	7.888	0
Operating profit/loss	30.282	26.148	32.329
Net financials	(3.198)	(4.673)	(5.293)
Profit/loss for the year	23.039	15.182	19.577
Total assets	346.139	330.341	225.220
Investments in property, plant and equipment	4.090	5.343	7.519
Equity	166.737	140.607	117.379
Employees in average	185	183	138
Ratios			
Gross margin (%)	28,2	31,3	-
Net margin (%)	5,9	5,2	-
Return on equity (%)	15,0	11,8	16,7
Equity ratio (%)	48,2	42,6	52,1

The period 2012/13 includes the finansial period 26.07.2012 to 31.12.2013.

Management commentary

Primary activities

Pro Design is a Danish owned group, which designs and sells eyewear worldwide under the trademarks Prodesign, FACE A FACE, WOOW and INFACE.

The Group has its own sales organisations in North America, Europe and Asia. In a number of markets in the Far East, South America and Australia, Pro Design is represented by independent importers.

Development in activities and finances

Profit for the year was DKK 23,039k after tax against DKK 15,182k after tax last year.

In Pro Design, we have consistently pursued our strategy of developing a strategic cooperation with each customer, buying groups and capital chains. We are an active partner in retail marketing, optimisation of merchandising and cash flow.

In 2015, Pro Design followed the chosen strategy of acquisition and acquired in January the remaining 50% of the capital in the Spanish trading company Pro Design Eyewear Ibérica SL.

In the period 01.01.2015 to 31.12.2015, the Group realised a progress in revenue of 33%, i.e. a realised revenue of DKK 391m against DKK 294m in 2014.

Profit/loss for the year in relation to expected developments

Management regards profit for the year as satisfactory compared to the expected development in revenue and operating profit.

Outlook

If the present business trends do not worsen considerably, 2016 will be another promising year for the Group with growth in both top and bottom lines.

Particular risks

Business risks

The main business risk of the Group relates to the ability of being strongly positioned in the markets where the Group’s products are sold. In the financial year, the Group has increased its market shares in the key markets. Moreover, it is important to the Group to always keep abreast of the development in retail marketing and commodity preferences etc.

Management commentary

Financial risks

As a consequence of its operations, investments and financing, the Group is exposed to changes in the level of interest and exchange rates. The Parent Company manages the financial risks of the Group centrally and also coordinates the cash management of the Group, including funding and investment of surplus liquidity. The Group pursues a Board-approved finance policy operating with a low risk profile so that currency exposure, interest rate exposure and credit risks arise only on the basis of commercial matters.

Foreign exchange risks

The Group is affected by changes in exchange rates as foreign subsidiaries' results and equity at year-end are translated into DKK on the basis of average exchange rates and the exchange rate at the balance sheet date, respectively.

The Group's currency exposure is primarily hedged through matching of payments received and made in the same currency by the use of forward exchange contracts and options.

Credit risks

Credit risks related to financial assets equal the values recognised in the balance sheet. The Group is not exposed to major risks relating to a single customer or co-operator.

Intellectual capital resources

To maintain and develop the position among the leading suppliers of goods and services within the Group's business area, it is of decisive importance that the Company and the Group continue to attract and retain the most talented and most service-minded staff.

Environmental performance

The Group does not assess that it has any special environmental impact.

Research and development activities

The Group continuously develops and designs new products. This is done with focus on innovation and high quality, and the Company has also developed complementary niche products, which will contribute to growth over the next few years.

Corporate social responsibility

The Pro Design Group focuses on carrying on business and meeting strategic challenges in a financially and socially sound matter. The Group has a number of formal and informal policies and approaches as to how the Group lives out its social responsibility. The policies and approaches are described below.

Management commentary

Employees

It is important that the Group continues to be able to recruit and retain employees with a high educational and competency level. This requires continuous updating and acquisition of new competences.

Existence of the necessary knowledge in all employee groups is ensured at the employment and through continuous training, among other initiatives. The training is planned on a general as well as an individual basis.

The underrepresented gender

The Pro Design Group is working to increase the number of female managers on the Group’s top management and has therefore set target figures for the quota of the underrepresented gender. The Pro Design Group has a target that 20% of the board members elected at the annual general meeting must be women by 2020. At present, there is 0% women on the board of directors.

The Pro Design Group is also working to increase the number of female managers in the other management levels of the enterprise. The target is that 20% of other executive positions must be filled by womens. Pro Design Investment A/S turns its policy into action with the target that there are always female candidates among the relevant candidates when recruiting.

At present, there is 20% female managers on the Group's other management levels, which is the same as last year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

The accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

Non-comparability

In mid-2014, the Group acquired the enterprises Inface Company and Face à Face for which reason the consolidated financial statements for 2015 cover 12 months for the enterprises Inface Company and Face à Face against 6 months in the comparative figures for 2014.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Accounting policies

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity’s ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of plant and equipment.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates’ profit/loss after elimination of internal profits or losses.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill	20 years

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 5 years.

Accounting policies

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period.

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises’ equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent’s share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally 5 years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Accounting policies

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$	The financial strength of the Entity.

Consolidated income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Revenue	1	390.916	294.050
Cost of sales		(122.520)	(91.042)
Other external expenses	4	(158.138)	(110.841)
Gross profit/loss		**110.258**	**92.167**
Staff costs	2	(67.387)	(55.706)
Depreciation, amortisation and impairment losses	3	(12.589)	(10.313)
Operating profit/loss		**30.282**	**26.148**
Income from investments in associates		0	265
Other financial income		3.274	406
Other financial expenses		(6.472)	(5.344)
Profit/loss from ordinary activities before tax		**27.084**	**21.475**
Tax on profit/loss from ordinary activities	5	(4.045)	(6.293)
Profit/loss for the year		**23.039**	**15.182**

Proposed distribution of profit/loss			
Retained earnings		23.039	15.182
		23.039	**15.182**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Acquired rights		1.182	1.232
Goodwill		149.733	154.406
Intangible assets	6	**150.915**	**155.638**
Other fixtures and fittings, tools and equipment		5.671	5.025
Leasehold improvements		1.557	1.841
Property, plant and equipment	7	**7.228**	**6.866**
Investments in associates		0	495
Other investments		1	1
Other receivables		1.155	1.087
Fixed asset investments	8	**1.156**	**1.583**
Fixed assets		**159.299**	**164.087**
Manufactured goods and goods for resale		116.426	103.673
Inventories		**116.426**	**103.673**
Trade receivables		60.915	51.157
Receivables from associates		0	2.033
Deferred tax assets		72	982
Other short-term receivables		3.364	2.982
Income tax receivable		1.654	0
Prepayments	10	695	572
Receivables		**66.700**	**57.726**
Cash		**3.714**	**4.855**
Current assets		**186.840**	**166.254**
Assets		**346.139**	**330.341**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital		1.050	1.040
Retained earnings		165.687	139.567
Equity		**166.737**	**140.607**
Bank loans		664	1.170
Non-current liabilities other than provisions		**664**	**1.170**
Current portion of long-term liabilities other than provisions		224	25.433
Bank loans		119.770	108.234
Trade payables		32.575	28.857
Income tax payable		0	2.408
Other payables		26.169	23.632
Current liabilities other than provisions		**178.738**	**188.564**
Liabilities other than provisions		**179.402**	**189.734**
Equity and liabilities		**346.139**	**330.341**
Subsidiaries	9		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

Consolidated statement of changes in equity for 2015

	Contri-buted capi-tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.040	139.567	140.607
Increase of capital	10	2.074	2.084
Exchange rate adjustments	0	1.007	1.007
Profit/loss for the year	0	23.039	23.039
Equity end of year	**1.050**	**165.687**	**166.737**

Consolidated cash flow statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Operating profit/loss		30.282	26.123
Amortisation, depreciation and impairment losses		12.589	10.313
Working capital changes	11	(13.981)	(10.504)
Cash flow from ordinary operating activities		**28.890**	**25.932**
Financial income received		4.437	406
Financial income paid		(6.472)	(5.395)
Income taxes refunded/(paid)		(7.197)	(6.235)
Cash flows from operating activities		**19.658**	**14.708**
Acquisition etc of intangible assets		(136)	(222)
Acquisition etc of property, plant and equipment		(4.090)	(2.891)
Sale of property, plant and equipment		92	0
Acquisition of enterprises		(4.570)	(68.492)
Cash flows from investing activities		**(8.704)**	**(71.605)**
Instalments on loans etc		(25.715)	(57.980)
Cash increase of capital		2.084	6.865
Other cash flows from financing activities		0	(2.251)
Cash flows from financing activities		**(23.631)**	**(53.366)**
Increase/decrease in cash and cash equivalents		**(12.677)**	**(110.263)**
Cash and cash equivalents beginning of year		(103.379)	6.884
Cash and cash equivalents end of year		**(116.056)**	**(103.379)**
Cash and cash equivalents at year-end are composed of:			
Cash		3.714	4.855
Short-term debt to banks		(119.770)	(108.234)
Cash and cash equivalents end of year		**(116.056)**	**(103.379)**

Notes to consolidated financial statements

1. Revenue

	2015 DKK'000	2014 DKK'000
Asia-Pacific	21.000	16.599
Americas	174.000	126.200
Europe	195.916	151.251
	390.916	**294.050**

2. Staff costs

	2015 DKK'000	2014 DKK'000
Wages and salaries	48.875	42.741
Pension costs	3.468	3.219
Other social security costs	15.044	9.746
	67.387	**55.706**
Average number of employees	**185**	**183**

	Remune-ration of manage-ment 2015 DKK'000	Remune-ration of manage-ment 2014 DKK'000
Total amount for management categories	600	600
	600	**600**

3. Depreciation, amortisation and impairment losses

	2015 DKK'000	2014 DKK'000
Amortisation of intangible assets	8.935	7.748
Depreciation of property, plant and equipment	3.659	2.565
Profit/loss from sale of intangible assets and property, plant and equipment	(5)	0
	12.589	**10.313**

Notes to consolidated financial statements

4. Fees to the auditor appointed by the Annual General Meeting

	2015 DKK'000	2014 DKK'000
Statutory audit services	662	753
Other assurance engagements	5	15
Tax services	235	121
Other services	216	313
	1.118	**1.202**

5. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	3.135	7.144
Change in deferred tax for the year	910	(851)
	4.045	**6.293**

6. Intangible assets

	Acquired rights DKK'000	Goodwill DKK'000
Cost beginning of year	1.376	170.665
Exchange rate adjustments	2	0
Additions	136	4.075
Cost end of year	**1.514**	**174.740**
Amortisation and impairment losses beginning of year	(144)	(16.259)
Exchange rate adjustments	(1)	0
Amortisation for the year	(187)	(8.748)
Amortisation and impairment losses end of year	**(332)**	**(25.007)**
Carrying amount end of year	**1.182**	**149.733**

Notes to consolidated financial statements

7. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	6.047	2.754
Exchange rate adjustments	254	96
Additions	3.708	382
Disposals	(376)	0
Cost end of year	**9.633**	**3.232**
Depreciation and impairment losses beginning of the year	(1.022)	(913)
Exchange rate adjustments	(195)	(140)
Impairment losses for the year	(3.034)	(625)
Reversal regarding disposals	289	3
Depreciation and impairment losses end of the year	**(3.962)**	**(1.675)**
Carrying amount end of year	**5.671**	**1.557**

8. Fixed asset investments

	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	171	1	1.087
Additions	0	0	68
Disposals	(171)	0	0
Cost end of year	**0**	**1**	**1.155**
Revaluations beginning of year	324	0	0
Reversal regarding disposals	(324)	0	0
Revaluations end of year	**0**	**0**	**0**
Carrying amount end of year	**0**	**1**	**1.155**

Notes to consolidated financial statements

9. Subsidiaries

	Registered in	Corporate form	Equity interest %
Pro Design International A/S	Aarhus	A/S	100,0
Pro Design Eyewear Inc	USA	Inc.	100,0
Pro Design International GmbH	Germany	GmbH	100,0
Pro Design International Eyewear UK Ltd.	United Kingdom	Ltd.	100,0
Pro Design France SARL	France	SARL	100,0
Expressions SAS	France	SAS	100,0
Architectures SAS	France	SAS	100,0
Face á Face inc.	USA	Inc.	100,0
Inface Company GmbH	Germany	GmbH	100,0
Alfa Eyewear SARL	France	SARL	100,0
Pro Design Eyewear Ibérica SL	Spain	SL	100,0

10. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

11. Change in working capital

	2015 DKK'000	2014 DKK'000
Increase/decrease in inventories	(12.753)	(13.362)
Increase/decrease in receivables	(7.091)	3.002
Increase/decrease in trade payables etc	5.863	(144)
	(13.981)	**(10.504)**

12. Unrecognised rental and lease commitments

	2015 DKK'000	2014 DKK'000
Commitments under rental agreements or leases until expiry	**8.418**	**9.667**

13. Contingent liabilities

The Group's intercompany accounts in foreign currencies as well as the related hedging transactions are composed of the following at 31.12.2015:

Interest swap EUR 670,000

Net obligation at 31 December 2015 amounts to DKK 354k and is recognised as other payables.

Parent income statement for 2015

	Notes	2015 DKK'000	2014 DKK'000
Other external expenses		(642)	(180)
Operating profit/loss		**(642)**	**(180)**
Income from investments in group enterprises		22.672	15.146
Other financial income	1	1.562	1.241
Other financial expenses	2	(200)	(1.000)
Profit/loss from ordinary activities before tax		**23.392**	**15.207**
Tax on profit/loss from ordinary activities	3	(353)	(25)
Profit/loss for the year		**23.039**	**15.182**
Proposed distribution of profit/loss			
Retained earnings		23.039	15.182
		23.039	**15.182**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Investments in group enterprises		161.468	156.919
Fixed asset investments	4	**161.468**	**156.919**
Fixed assets		**161.468**	**156.919**
Receivables from group enterprises		2.864	2.627
Deferred tax assets		0	37
Income tax receivable		2.390	3.903
Receivables		**5.254**	**6.567**
Cash		**15**	**1.163**
Current assets		**5.269**	**7.730**
Assets		**166.737**	**164.649**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK'000	2014 DKK'000
Contributed capital	5	1.050	1.040
Retained earnings		165.687	139.567
Equity		**166.737**	**140.607**
Current portion of long-term liabilities other than provisions		0	24.000
Other payables		0	42
Current liabilities other than provisions		**0**	**24.042**
Liabilities other than provisions		**0**	**24.042**
Equity and liabilities		**166.737**	**164.649**
Contingent liabilities	6		
Mortgages and securities	7		

Parent statement of changes in equity for 2015

	Contri-buted capi-tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1.040	139.567	140.607
Increase of capital	10	2.074	2.084
Exchange rate adjustments	0	1.007	1.007
Profit/loss for the year	0	23.039	23.039
Equity end of year	**1.050**	**165.687**	**166.737**

Notes to parent financial statements

1. Other financial income

	2015 DKK'000	2014 DKK'000
Financial income arising from group enterprises	1.493	1.241
Fair value adjustments	10	0
Interest regarding tax paid on account	59	0
	1.562	**1.241**

2. Other financial expenses

	2015 DKK'000	2014 DKK'000
Interest expenses	200	964
Interest regarding tax paid on account	0	36
	200	**1.000**

3. Tax on profit/loss from ordinary activities

	2015 DKK'000	2014 DKK'000
Tax on current year taxable income	121	(3)
Change in deferred tax for the year	37	28
Adjustment concerning previous years	195	0
	353	**25**

4. Fixed asset investments

	Investments in group enterprises DKK'000
Cost beginning of year	197.564
Cost end of year	**197.564**
Impairment losses beginning of year	(40.645)
Exchange rate adjustments	1.007
Amortisation of goodwill	(6.459)
Share of profit/loss for the year	29.131
Dividend	(19.130)
Impairment losses end of year	**(36.096)**
Carrying amount end of year	**161.468**

The carrying amount includes goodwill of DKK 107,651k.

Investment in group enterprise: Pro Design International A/S, Aarhus, ownership interest 100%

Notes to parent financial statements

5. Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Shares	1.050	1	1.050
	1.050		**1.050**

	2015 DKK'000	2014 DKK'000	2012/13 DKK'000
Changes in contributed capital			
Contributed capital beginning of year	1.040	1.000	0
Increase of capital	10	40	1.000
Contributed capital end of year	**1.050**	**1.040**	**1.000**

6. Contingent liabilities

	2015 DKK'000	2014 DKK'000
Recourse and non-recourse guarantee commitments	119.697	108.125
Contingent liabilities	**119.697**	**108.125**

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

7. Mortgages and securities

Bank debt of own and group enterprises has been secured on deposited investments in group enterprises. The carrying amount of mortgaged investments in group enterprises is DKK 161,468k.