

Heléns Rør A/S  
Koesmosevej 48-58  
Kauslunde  
5500 Middelfart

Telephone +45 64 40 39 40

**Heléns Rør A/S**  
**Annual report 2015**

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

on  20 16

  
chairman

CVR no. 89 63 79 10

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Heléns Rør A/S for the financial year 1 January – 31 December 2015.

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

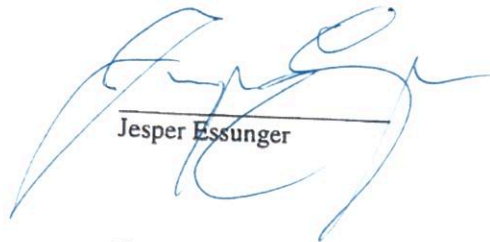
In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities 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.

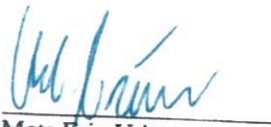
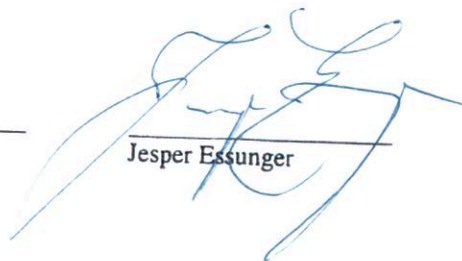
Middelfart, 31 March 2016

Executive Board:




Jesper Essunger

Board of Directors:

  
Mats Eric Urban  
Månsson  
Chairman

Jesper Essunger

  
Stig Åke Christer  
Krusell



**KPMG**  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
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## **Independent auditor's report**

**To the shareholders of Heléns Rør A/S**

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Heléns Rør A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### ***Management's responsibility for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.



## Independent auditor's report

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.


### **Statement on the Management's review**

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 31 March 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab



Jakob Westerdahl  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

Heléns Rør A/S  
Koesmosevej 48-58  
Kauslunde  
5500 Middelfart

Telephone: +45 64 40 39 40  
E-mail: helens@helens.dk  
CVR no.: 89 63 79 10  
Established: 1 October 1980  
Registered office: Middelfart  
Financial year: 1 January – 31 December

### **Board of Directors**

Mats Eric Urban Månsson (Chairman)  
Jesper Essunger  
Stig Åke Christer Krusell

### **Executive Board**

Jesper Essunger, CEO

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
8210 Aarhus V

## Management's review

### Financial highlights

DKK'000	2015	2014	2013	2012	2011
<b>Key figures</b>					
Gross profit	16,478	24,218	14,251	17,855	22,283
Operating profit/loss	-4,012	2,056	-2,894	-778	2,986
Profit/loss from financial income and expenses	-108	-302	-328	-823	-951
<b>Profit/loss for the year</b>	<b>-3,228</b>	<b>1,392</b>	<b>-2,560</b>	<b>-1,205</b>	<b>1,174</b>
Non-current assets	14,166	5,741	6,570	9,315	11,797
Current assets	43,000	50,318	51,398	57,600	69,936
Total assets (balance sheet total)	57,166	56,059	57,968	66,915	81,733
Investment in property, plant and equipment	9,871	1,744	221	607	627
<b>Equity</b>	<b>14,209</b>	<b>17,437</b>	<b>16,045</b>	<b>18,605</b>	<b>19,810</b>
<b>Financial ratios</b>					
Return on invested capital	-7.1%	3.6%	-6.2%	-1.5%	7.0%
Solvency ratio	24.9%	31.1%	27.7%	27.8%	24.2%
Return on equity	-20.4%	8.3%	-14.8%	-6.3%	6.1%

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". For terms and definitions, please see the accounting policies.

## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

In line with previous years, the principal activities consisted of sale and processing of steel tubes. Processing takes place in the Company's own factories.

The products are primarily sold in Denmark.

#### **Development in activities and financial position**

The loss for the year of DKK 3,228 thousand was a disappointment and was not in line with the initial forecast. The disappointing results were primarily the result of a lower activity level than expected. Next year, results are expected to be at level with 2014.

#### **Events after the balance sheet date**

Nothing has occurred, which affected the Company's financial position at 31 December 2015.

#### **Investment**

In 2015, a new 3D laser-cutting machine was installed. This machine is expanding the supply range of processed steel tubes in the Company. The machine is expected to be fully operational at the beginning of 2016.

#### **Outlook for 2016**

Business development in the Company in 2016 will, to a great extent, be determined by general economic trends and international demand for steel products.

Fluctuation in price level as well as sales volume are important factors to consider when evaluating the development of the Company from a risk perspective.

#### **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.



## **Management's review**

### **Operating review**

#### ***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.

#### **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 the level it is considered financially fair and reasonable.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

The annual report of Heléns Rør A/S for 2015 has been presented in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

In accordance with section 112 (1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Heléns Rør A/S and subsidiaries are included in the consolidated financial statements of Heléns Rør AB.

In accordance with section 86 (4), no cash flow statement has been prepared, as it is contained in the consolidated financial statements of Heléns Rør AB.

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

### **Income statement**

In accordance with section 32 of the Danish Financial Statements Act, revenue and production costs are aggregated in the financial caption item, gross profit.

#### **Revenue**

Income from the sale of goods, comprising the sale of unprocessed and processed tubes, is recognised in the income statement when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration, excluding VAT and duties collected on behalf of third parties. All discounts are recognised in revenue.

#### **Production costs**

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

#### **Distribution costs**

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

#### **Administrative expenses**

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

## Financial statements 1 January – 31 December

### Accounting policies

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, 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

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 at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

### Balance sheet

#### Property, plant and equipment

Property, plant 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.

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 residual value after the end of the useful life.

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:

Leasehold improvements	10 years
Plant and machinery	5-10 years
Fixtures and fittings, tools and equipment	5-10 years

Depreciation is recognised as in the income statement production costs, distribution costs and administrative expenses, respectively.

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 production costs, distribution costs and administrative expenses.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Impairment of non-current assets**

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

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.

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.

#### **Leases**

Payments in connection with operating leases and other leases are recognised in the income statement over the term of the contract. The Company's total liability regarding operating leases and other leases are disclosed as contingent liabilities, etc.

#### **Investments**

Equity investments in subsidiaries are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value.

#### **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 as well as indirect production costs. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery. 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 based on an individual assessment.

## **Financial statements 1 January – 31 December**

### **Accounting policies**

#### **Cash at bank and in hand**

Cash comprise bank deposits and cash.

#### **Equity - dividends**

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

#### **Liabilities other than provisions**

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

Capitalised residual lease obligations are recognised as financial liabilities.

Other liabilities are measured at net realisable value.

#### **Corporation tax and deferred tax**

Benteler Aluminium Systems DK is the administrative company for the joint taxation.

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

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.

## Financial statements 1 January – 31 December

### Accounting policies

#### 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.

#### Financial ratios

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:

Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$
Invested capital	Total assets less cash at bank and in hand and other interest-bearing assets
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2015	2014
<b>Gross profit</b>		16,478	24,218
Distribution costs		-10,421	-11,900
Administrative expenses		-10,069	-10,262
<b>Operating profit/loss</b>		-4,012	2,056
Other financial income	1	53	10
Financial expenses	2	-161	-312
<b>Profit/loss before tax</b>		-4,120	1,754
Tax on profit/loss for the year	3	892	-362
<b>Profit/loss for the year</b>		<u>-3,228</u>	<u>1,392</u>
 <b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		<u>-3,228</u>	<u>1,392</u>
		<u>-3,228</u>	<u>1,392</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property, plant and equipment</b>			
Leasehold improvements	4	1,859	1,297
Plant and machinery		10,356	2,390
Fixtures and fittings, tools and equipment		233	336
		12,448	4,023
<b>Investments</b>			
Equity investments in subsidiary	5	1,604	1,604
Receivables from shareholders and Management		114	114
		1,718	1,718
<b>Total non-current assets</b>		14,166	5,741
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		16,329	12,197
Work in progress		263	349
Finished goods and goods for resale		2,741	3,330
		19,333	15,876
<b>Receivables</b>			
Trade receivables		19,953	25,399
Receivables from group entities		1,875	7,899
Tax receivable, joint taxation contribution	6	282	211
Other receivables		529	511
Deferred tax asset	7	1,028	418
		23,667	34,438
<b>Cash at bank and in hand</b>		0	4
<b>Total current assets</b>		43,000	50,318
<b>TOTAL ASSETS</b>		57,166	56,059



## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	8		
Share capital		6,000	6,000
Retained earnings		8,209	11,437
<b>Total equity</b>		<u>14,209</u>	<u>17,437</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade payables		10,572	17,018
Payables to group entities		26,403	15,172
Other payables		5,982	6,432
		<u>42,957</u>	<u>38,622</u>
<b>Total liabilities</b>		<u>42,957</u>	<u>38,622</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>57,166</u>	<u>56,059</u>
<b>Contractual obligations, contingencies, etc.</b>	9		
<b>Human resources</b>	10		
<b>Related parties</b>	11		

## Financial statements 1 January – 31 December

### Notes

	2015	2014
DKK'000		
<b>1 Other financial income</b>		
Interest income	53	10
	<u>53</u>	<u>10</u>
<b>2 Financial expenses</b>		
Financial expenses arising from group entities	88	122
Capital loss	57	177
Interest expenses	16	13
	<u>161</u>	<u>312</u>
<b>3 Tax on profit/loss for the year</b>		
Joint taxation contribution for the year	282	-157
Deferred tax adjustment for the year	610	-249
Adjustment in respect of prior years	0	44
	<u>892</u>	<u>-362</u>

## Financial statements 1 January – 31 December

### Notes

#### 4 Property, plant and equipment

DKK'000	Leasehold improve- ments	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	5,248	25,817	3,170	34,235
Additions	908	8,899	64	9,871
Disposals	-181	-724	-65	-970
Cost at 31 December 2015	5,975	33,992	3,169	43,136
Depreciation and impairment losses at 1 January 2015	3,951	23,427	2,834	30,212
Depreciation	334	933	168	1,435
Additions	-169	-724	-66	-959
Depreciation and impairment losses at 31 December 2015	4,116	23,636	2,936	30,688
<b>Carrying amount at 31 December 2015</b>	<b>1,859</b>	<b>10,356</b>	<b>233</b>	<b>12,448</b>

Depreciation is distributed as follows:

DKK'000	2015	2014
Production costs	1,413	2,092
Administrative expenses	22	22
	<b>1,435</b>	<b>2,114</b>

## Financial statements 1 January – 31 December

### Notes

#### 5 Equity investments

DKK'000	Investment in subsidiary	Deposits	Total
Cost at 1 January 2015	1,604	114	1,718
<b>Carrying amount at 31 December 2015</b>	<b>1,604</b>	<b>114</b>	<b>1,718</b>

Name and registered office	Stake	Company capital DKK'000	Equity DKK'000	Profit/ loss for the year DKK'000	Carrying amount DKK'000
Aktieselskabet Thos. Sonne Junr., Middelfart	100%	952	3,131	1,269	1,604

DKK'000	2015	2014
<b>6 Corporation tax receivable, joint taxation contribution</b>		
Joint taxation contribution receivable at 1 January	211	0
Adjustment in respect of prior years, tax loss carryforwards used in the joint taxation in 2013	0	368
Joint taxation contribution received in the year	-211	0
Joint taxation contribution for the year	282	-157
	<b>282</b>	<b>211</b>
<b>7 Deferred tax asset</b>		
Deferred tax asset at 1 January	418	991
Adjustment in respect of prior years	0	-324
Deferred tax adjustment for the year	610	-249
	<b>1,028</b>	<b>418</b>
Deferred tax arises from:		
Property, plant and equipment	-90	418
Non-utilised tax losses	1,118	0
	<b>1,028</b>	<b>418</b>

## Financial statements 1 January – 31 December

### Notes

#### 8 Equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	6,000	11,437	17,437
Transferred, see the profit appropriation/distribution of loss	0	-3,228	-3,228
<b>Equity at 31 December 2015</b>	<b>6,000</b>	<b>8,209</b>	<b>14,209</b>

The Company's share capital represents DKK 6,000 thousand and is broken down on DKK 1,000 each. No shares carry special rights.

The share capital has not undergone any changes during the past five years.

#### 9 Contractual obligations, contingencies, etc.

The Company is jointly taxed with Benteler Aluminium Systems A/S and Aktieselskabet Thos. Sonne Junr. In accordance with the rules on joint taxation, the Company is liable for corporation tax in the jointly taxed entities until settled with the tax authorities. In addition, the Company has unlimited joint and several liability for Danish withholding taxes on dividends, interest and royalties within the jointly taxed entity.

##### **Operating leases**

The Company entered into lease contracts with an annual payment of DKK 1,965 thousand (2014: DKK 1,984 thousand). The contracts are terminable at a notice of 3-9 months.

The Company has entered into operating leases with an annual payment of DKK 360 thousand. The lease contracts come with different terms and carry a residual payment of DKK 517 thousand (2014: DKK 759 thousand).

## Financial statements 1 January – 31 December

### Notes

DKK'000	2015	2014
<b>10 Staff costs</b>		
Payroll	18,430	16,713
Pensions	2,848	2,568
Other social security costs	2,079	2,041
	23,357	21,322
Staff costs are recognised in the financial statements as follows:		
Production	10,391	8,792
Distribution	9,758	8,987
Administration	3,208	3,543
	23,357	21,322
The note on human resources include:		
Average number of full-time employees	47	44

Remuneration of the Company's Management and Board of Directors is not disclosed pursuant to section 98b(3)(ii) of the Danish Financial Statements Act.

### 11 Related parties

Heléns Rør A/S' related parties comprise the following:

#### Control

Heléns Rør AB, Vastergårdsvågen 16, Box 101, S-30104 Halmstad holds the majority of the share capital in the Company.

Heléns Rør A/S is included in the consolidated financial statements of Heléns Rør AB. The consolidated financial statements are available upon request to the Company.

The Company's ultimate parent company is Benteler International AG. Consolidated financial statements are available at [www.benteler.com](http://www.benteler.com).