

**Euromaster DK Holding A/S
Central Business Registration No
33307012**

Annual report 2014

The Annual General Meeting adopted the annual report on 14.07.2015

Chairman of the General Meeting

Name: Regina M. Andersen, advokat

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Entity details

Company

Euromaster DK Holding A/S
Krøyer Kielbergs Vej 3,1
DK-8660 Skanderborg

Central Business Registration No: 33307012

Registered in: Skanderborg

Financial year: 01.01.2014 - 31.12.2014

Phone: +4587282828

Fax: +5687282829

Board of Directors

Yvan Guerassimoff, Chairman

Philippe Berther

Vincent Palmier

Executive Board

Ove Bjørn Eichler, Chief Executive Officer

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Vestervangsvej 6

8800 Viborg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Euromaster DK Holding A/S for the financial year 01.01.2014 - 31.12.2014.

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 31.12.2014 and of the results of its operations and cash flows for the financial year 01.01.2014 - 31.12.2014.

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.

Skanderborg, 03.06.2015

Executive Board

Ove Bjørn Eichler
Chief Executive Officer

Board of Directors

Yvan Guerassimoff
Chairman

Philippe Berther

Vincent Palmier

Independent auditor's reports

To the owners of Euromaster DK Holding A/S Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Euromaster DK Holding A/S for the financial year 01.01.2014 - 31.12.2014, 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 31.12.2014, and of the results of their operations and the Group's cash flows for the financial year 01.01.2014 - 31.12.2014 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.

Viborg, 03.06.2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Hans Trærup

State Authorised Public Accountant

Rasmus B. Johnsen

State Authorised Public Accountant

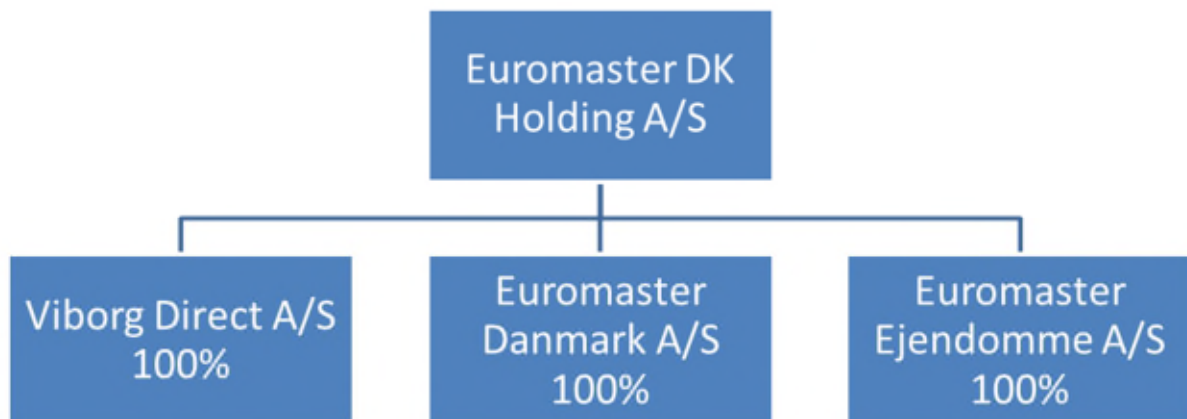
Management commentary

	2014	2013	2012	2011	2010
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	325.610	327.227	343.441	0	0
Gross profit/loss	74.505	64.426	84.470	0	0
Operating profit/loss	(40.434)	(37.380)	(13.415)	(65)	(100)
Net financials	(2.867)	(3.481)	(2.846)	(169)	0
Profit/loss for the year	(42.618)	(39.383)	(14.888)	(16.539)	(34.310)
Total assets	163.733	175.636	205.112	17.967	34.505
Investments in property, plant and equipment	4.504	5.050	5.065	0	0
Equity	4.810	(16.368)	3.015	17.903	34.442
Cash flows from (used in) operating activities	(62.586)	(14.262)	(8.872)	(169)	(279)
Cash flows from (used in) investing activities	(4.339)	(4.702)	386	169	272
Ratios					
Net margin (%)	(13,1)	(12,0)	(4,3)	-	-
Return af net assets (%)	(24,9)	(21,3)	(6,5)	(0,4)	(0,3)
Solvency Ratio (%)	3,0	(9,3)	1,5	99,6	99,8

Referring to section 128(3) of the Danish Financial Statements Act, the key figures and ratios have not been prepared consolidated for the years 2010-2011.

Management commentary

Consolidation



Management commentary

Primary activities

The Entity's main activity consists in owning shares in group enterprises.

The Group's primary activity comprises sale of tyres and services on the Danish market.

Development in activities and finances

The operating loss for the year is not in line with the expectations and is thus not satisfactory.

For the parent financial statements, the changes have decreased the income from investments in group enterprises in the financial year by DKK 2,036 k. Further to this there has been a revaluation of specific properties resulting in an impairment loss of DKK 12.585 k. The profit/ loss for the year is effected negatively by DKK 14,621 k, the total assets have been effected negatively by DKK 14,621 k., and the equity has been effected negatively by DKK 14,621 k.

For the consolidated financial statements, the changes have increased the depreciation in the financial year by DKK 2,036 k. Further to this there has been a revaluation of specific properties resulting in an impairment loss of DKK 12.585 k. The profit/ loss for the year is effected negatively by DKK 14,621 k, the total assets have been effected negatively by DKK 14,621 k and the equity has been effected negatively by DKK 14,621 k.

On 26 September 2014, the share capital was increased from nominal DKK 6,000 k to nominal DKK 7,000 k by payment in cash from the Parent Company.

Outlook

The Group expects an unchanged level of activities, but an improvement of the results.

Events after the balance sheet date

Besides from the above, 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 (medium).

The accounting policies applied for this consolidated financial statements and parent financial statements are, except the changes in accounting estimates below, consistent with those applied last year.

Changes in accounting estimates

During the financial year, the estimated useful lives and the residual values of the buildings have been changed.

For the parent financial statements, the changes have decreased the income from investments in group enterprises in the financial year by 2,036 k.DKK. Further to this there has been a revaluation of specific properties resulting in an impairment loss of 12.585 k.DKK. The profit/ loss for the year is effected negatively by 14,621 k.DKK, the total assets have been effected negatively by 14,621 k.DKK and the equity has been effected negatively by 14,621 k.DKK.

For the consolidated financial statements, the changes have increased the depreciation in the financial year by 2,036 k.DKK. Further to this there has been a revaluation of specific properties resulting in an impairment loss of 12.585 k.DKK. The profit/ loss for the year is effected negatively by 14,621 k.DKK, the total assets have been effected negatively by 14,621 k.DKK and the equity has been effected negatively by 14,621 k.DKK.

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.

Accounting policies

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.

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.

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.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of intangible assets and property, plant and equipment and income from property administration.

Accounting policies

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 comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

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 and property, 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 intangible assets as well as property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities, including losses from the sale of intangible assets and property plant and equipment and expenses regarding property administration.

Other financial income

Other financial income comprises 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.

Accounting policies

The Entity is jointly taxed with all the Danish group enterprises and other Danish entities within the Michelin Group. The current Danish income is allocated among the jointly taxed entities 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 is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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:

Buildings	29-50 years
Other fixtures and fittings, tools and equipment	5-10 years
Leasehold improvements	5-10 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant, equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operation expenses.

Accounting policies

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.

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

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.

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

Receivables

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

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.

Accounting policies

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

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.

Financial highlights

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

Accounting policies

Ratios	Calculation formula	Ratios reflect
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return of net assets (%)	$\frac{\text{Operation profit/loss} \times 100}{\text{Total assets}}$	The return generated by the enterprise on the total assets.
Solvency Ratio (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.

Consolidated income statement for 2014

	<u>Notes</u>	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>
Revenue		325.610	327.227
Other operating income		1.349	760
Cost of sales		(181.388)	(191.148)
Other external expenses		<u>(71.066)</u>	<u>(72.413)</u>
Gross profit/loss		74.505	64.426
Staff costs	1	(92.982)	(91.029)
Depreciation, amortisation and impairment losses	2	(20.882)	(9.654)
Other operating expenses		<u>(1.075)</u>	<u>(1.123)</u>
Operating profit/loss		(40.434)	(37.380)
Other financial income		298	788
Other financial expenses	3	<u>(3.165)</u>	<u>(4.269)</u>
Profit/loss from ordinary activities before tax		(43.301)	(40.861)
Tax on profit/loss from ordinary activities	4	<u>683</u>	<u>1.478</u>
Profit/loss for the year		<u>(42.618)</u>	<u>(39.383)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(42.618)</u>	<u>(39.383)</u>
		<u>(42.618)</u>	<u>(39.383)</u>

Consolidated balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>
Goodwill		0	0
Intangible assets	5	<u>0</u>	<u>0</u>
Land and buildings		51.004	66.585
Other fixtures and fittings, tools and equipment		10.106	11.292
Leasehold improvements		1.438	1.214
Property, plant and equipment	6	<u>62.548</u>	<u>79.091</u>
Fixed assets		<u>62.548</u>	<u>79.091</u>
Manufactured goods and goods for resale		40.502	43.942
Inventories		<u>40.502</u>	<u>43.942</u>
Trade receivables		46.624	42.596
Deferred tax assets		0	0
Other short-term receivables		6.867	4.721
Income tax receivable		683	1.478
Prepayments		2.918	2.312
Receivables		<u>57.092</u>	<u>51.107</u>
Cash		<u>3.591</u>	<u>1.496</u>
Current assets		<u>101.185</u>	<u>96.545</u>
Assets		<u>163.733</u>	<u>175.636</u>

Consolidated balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>
Contributed capital		7.000	6.000
Retained earnings		<u>(2.190)</u>	<u>(22.368)</u>
Equity		<u>4.810</u>	<u>(16.368)</u>
Bank loans		5.942	718
Prepayments received from customers		62	52
Trade payables		36.485	22.988
Debt to group enterprises		102.181	155.567
Other payables		<u>14.253</u>	<u>12.679</u>
Current liabilities other than provisions		<u>158.923</u>	<u>192.004</u>
Liabilities other than provisions		<u>158.923</u>	<u>192.004</u>
Equity and liabilities		<u>163.733</u>	<u>175.636</u>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Mortgages and securities	10		
Consolidation	11		

Consolidated statement of changes in equity for 2014

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	6.000	(22.368)	(16.368)
Increase of capital	1.000	62.796	63.796
Profit/loss for the year	0	(42.618)	(42.618)
Equity end of year	7.000	(2.190)	4.810

Consolidated cash flow statement for 2014

	<u>Notes</u>	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>
Operating profit/loss		(40.434)	(37.380)
Amortisation, depreciation and impairment losses		20.882	9.464
Working capital changes	7	<u>(41.645)</u>	<u>15.762</u>
Cash flow from ordinary operating activities		(61.197)	(12.154)
Financial income received		298	788
Financial income paid		(3.165)	(4.269)
Income taxes refunded/(paid)		<u>1.478</u>	<u>1.373</u>
Cash flows from operating activities		<u>(62.586)</u>	<u>(14.262)</u>
Acquisition etc of property, plant and equipment		(4.504)	(5.050)
Sale of property, plant and equipment		<u>165</u>	<u>348</u>
Cash flows from investing activities		<u>(4.339)</u>	<u>(4.702)</u>
Cash increase of capital		<u>63.796</u>	<u>20.000</u>
Cash flows from financing activities		<u>63.796</u>	<u>20.000</u>
Increase/decrease in cash and cash equivalents		(3.129)	1.036
Cash and cash equivalents beginning of year		<u>778</u>	<u>(258)</u>
Cash and cash equivalents end of year		<u>(2.351)</u>	<u>778</u>
Cash and cash equivalents at year-end are composed of:			
Cash		3.591	1.496
Short-term debt to banks		<u>(5.942)</u>	<u>(718)</u>
Cash and cash equivalents end of year		<u>(2.351)</u>	<u>778</u>

Notes to consolidated financial statements

	2014	2013
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	84.359	83.130
Pension costs	2.775	2.760
Other social security costs	5.848	5.139
	92.982	91.029
Average number of employees	238	222

Referring to section 98 B (3.2) of the Danish Financial Statements Act, the information regarding remuneration to the Management is omitted.

	2014	2013
	DKK'000	DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	1.057
Impairment losses on intangible assets	0	1.057
Depreciation of property, plant and equipment	8.297	7.540
Impairment losses on property, plant and equipment	12.585	0
	20.882	9.654

	2014	2013
	DKK'000	DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	2.820	3.732
Interest expenses	1	4
Other financial expenses	344	533
	3.165	4.269

	2014	2013
	DKK'000	DKK'000
4. Tax on ordinary profit/loss for the year		
Tax on current year taxable income	(683)	(1.478)
	(683)	(1.478)

Notes to consolidated financial statements

	Goodwill DKK'000
5. Intangible assets	
Cost beginning of year	7.400
Cost end of year	7.400
Amortisation and impairment losses beginning of year	(7.400)
Amortisation and impairment losses end of year	(7.400)
Carrying amount end of year	0

	Land and buildings DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
6. Property, plant and equipment			
Cost beginning of year	79.382	85.135	3.787
Additions	266	3.434	804
Disposals	0	(6.005)	(959)
Cost end of year	79.648	82.564	3.632
Depreciation and impairment losses beginning of the year	(12.797)	(73.843)	(2.573)
Impairment losses for the year	(12.585)	0	0
Depreciation for the year	(3.262)	(4.455)	(580)
Reversal regarding disposals	0	5.840	959
Depreciation and impairment losses end of the year	(28.644)	(72.458)	(2.194)
Carrying amount end of year	51.004	10.106	1.438

	2014 DKK'000	2013 DKK'000
7. Change in working capital		
Increase/decrease in inventories	4.061	10.982
Increase/decrease in receivables	(6.440)	14.172
Increase/decrease in trade payables etc	(39.266)	(9.392)
	(41.645)	15.762

Notes to consolidated financial statements

	2014	2013
	DKK'000	DKK'000
8. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	60.179	74.423

9. Contingent liabilities

Euromaster DK Holding A/S serves as the 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

10. Mortgages and securities

A bank guarantee has been provided totalling DKK 2,283k at 31.12.2014 against DKK 2,283k at 31.12.2013.

11. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Compagnie Générale des Etablissements Michelin, France.

Parent income statement for 2014

	<u>Notes</u>	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>
Other external expenses		<u>(149)</u>	<u>(61)</u>
Operating profit/loss		(149)	(61)
Income from investments in group enterprises		(42.500)	(39.376)
Other financial income	1	<u>28</u>	<u>54</u>
Profit/loss from ordinary activities before tax		(42.621)	(39.383)
Tax on profit/loss from ordinary activities	2	<u>3</u>	<u>0</u>
Profit/loss for the year		<u>(42.618)</u>	<u>(39.383)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(42.618)</u>	<u>(39.383)</u>
		<u>(42.618)</u>	<u>(39.383)</u>

Parent balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Investments in group enterprises		5.597	16.186
Fixed asset investments	3	<u>5.597</u>	<u>16.186</u>
Fixed assets		<u>5.597</u>	<u>16.186</u>
Receivables from group enterprises		1.370	1.284
Income tax receivable		3	0
Receivables		<u>1.373</u>	<u>1.284</u>
Cash		<u>1</u>	<u>0</u>
Current assets		<u>1.374</u>	<u>1.284</u>
Assets		<u><u>6.971</u></u>	<u><u>17.470</u></u>

Parent balance sheet at 31.12.2014

	<u>Notes</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Contributed capital	4	7.000	6.000
Retained earnings		<u>(2.190)</u>	<u>(22.368)</u>
Equity		<u>4.810</u>	<u>(16.368)</u>
Provisions for investments in group enterprises	5	<u>2.078</u>	<u>33.822</u>
Provisions		<u>2.078</u>	<u>33.822</u>
Other payables		<u>83</u>	<u>16</u>
Current liabilities other than provisions		<u>83</u>	<u>16</u>
Liabilities other than provisions		<u>83</u>	<u>16</u>
Equity and liabilities		<u><u>6.971</u></u>	<u><u>17.470</u></u>
Contingent liabilities	6		
Related parties with controlling interest	7		
Ownership	8		

Parent statement of changes in equity for 2014

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	6.000	(22.368)	(16.368)
Increase of capital	1.000	62.796	63.796
Profit/loss for the year	0	(42.618)	(42.618)
Equity end of year	<u>7.000</u>	<u>(2.190)</u>	<u>4.810</u>

Notes to parent financial statements

	2014	2013
	DKK'000	DKK'000
1. Other financial income		
Financial income arising from group enterprises	28	54
	28	54
	2014	2013
	DKK'000	DKK'000
2. Tax on ordinary profit/loss for the year		
Tax on current year taxable income	(3)	0
	(3)	0
		Investments in
		group enter-
		prises
		DKK'000
3. Fixed asset investments		
Cost beginning of year		304.472
Additions		63.796
Cost end of year		368.268
Revaluations beginning of year		(288.286)
Share of profit/loss for the year		(42.500)
Other adjustments		(31.885)
Revaluations end of year		(362.671)
Carrying amount end of year		5.597

Other adjustments include offsetting of the negative value of investments in group enterprises in receivables from group enterprises. In addition, other adjustments include transfer of further negative value of investments in group enterprises to provision for investments in group enterprises.

Notes to parent financial statements

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
4. Contributed capital			
Ordinary shares	1	7.000	7.000
	1		7.000

	<u>2014 DKK'000</u>	<u>2013 DKK'000</u>	<u>2012 DKK'000</u>	<u>2011 DKK'000</u>	<u>2010 DKK'000</u>
Changes in contributed capital					
Contributed capital beginning of year	6.000	5.000	5.000	5.000	5.000
Increase of capital	1.000	1.000	0	0	0
Contributed capital end of year	7.000	6.000	5.000	5.000	5.000

5. Provisions for investments in group enterprises

The value of group enterprises with negative equity is recognised under provisions, because Euromaster DK Holding A/S has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

The provisions for investments in group enterprises amount to DKK 2,758 k (2013: DKK 34,366 k).

6. Contingent liabilities

The Company serves as the 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

7. Related parties with controlling interest

The following related parties have a controlling interest in Euromaster DK Holding A/S:

<u>Name</u>	<u>Registered office</u>	<u>Basis of influence</u>
Compagnie Générale des Etablissements Michelin	France	Ultimate Parent Company
Eurodrive Services and Distribution N.V.	Holland	Group Enterprise, controlling shareholder

Notes to parent financial statements

8. Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

Eurodrive Services and Distribution N.V., Netherlands