



Papier-Mettler Danmark A/S

Falstervej 7, 5800 Nyborg

Company reg. no. 31 75 36 43

Annual report

1 January - 31 December 2015

The annual report has been submitted and approved by the general meeting on the 18.03.2016

Martin Michael Mettler
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.



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Management's report

The board of directors and the managing director have today presented the annual report of Papier-Mettler Danmark A/S for the financial year 1 January to 31 December 2015.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nyborg, 2 March 2016

Managing Director

Martin Michael Mettler

Board of directors

Michael Handke

Karin Maria Mettler

Martin Michael Mettler



The independent auditor's reports

To the shareholder of Papier-Mettler Danmark A/S

Report on the annual accounts

We have audited the annual accounts of Papier-Mettler Danmark A/S for the financial year 1 January to 31 December 2015, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control as it determines necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.



The independent auditor's reports

Opinion

In our opinion, the annual accounts 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 to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to 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 annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 2 March 2016

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
CVR-nr. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant



Company data

The company

Papier-Mettler Danmark A/S
Falstervej 7
5800 Nyborg

Company reg. no.: 31 75 36 43
Established: 3 September 2008
Domicile: Nyborg
Financial year: 1 January - 31 December

Board of directors

Michael Handke
Karin Maria Mettler
Martin Michael Mettler

Managing Director

Martin Michael Mettler

Auditors

Christensen Kjørulff, Statsautoriseret Revisionsaktieselskab



Management's review

The principal activities of the company

The principal activities of the enterprise consist of distribution of paper and plastic packaging and related investment in enterprises in the packaging sector. The production takes place in the parent company, whereas the sale of the group's products takes place for the parent company, from the subsidiaries, and from the associated enterprise. Primarily, the products are sold in Denmark.

Unusual matters

None.

Uncertainties as to recognition or measurement

None.

Development in activities and financial matters

The gross profit for the year is DKK 10,1m against DKK 10,1m last year. The results from ordinary activities after tax are DKK 4,5m against DKK 4,3m last year.

Results for the year are satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.



Profit and loss account 1 January - 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross profit	10.050.809	10.100
1 Staff costs	-3.845.981	-4.036
Depreciation and writedown relating to tangible fixed assets	-205.438	-301
Operating profit	5.999.390	5.763
Other financial income	27.086	22
2 Other financial costs	-107.129	-50
Results before tax	5.919.347	5.735
Tax on ordinary results	-1.404.566	-1.407
Results for the year	4.514.781	4.328
Proposed distribution of the results:		
Allocated to results brought forward	4.514.781	4.328
Distribution in total	4.514.781	4.328



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Assets		
Fixed assets		
3 Land and property	2.972.811	3.071
4 Other plants, operating assets, and fixtures and furniture	190.271	389
Tangible fixed assets in total	<u>3.163.082</u>	<u>3.460</u>
5 Deposits	41.600	42
Financial fixed assets in total	<u>41.600</u>	<u>42</u>
Fixed assets in total	<u>3.204.682</u>	<u>3.502</u>
Current assets		
Manufactured goods and trade goods	2.757.371	4.445
Inventories in total	<u>2.757.371</u>	<u>4.445</u>
Trade debtors	17.257.062	10.273
Deferred tax assets	18.584	27
Receivable corporate tax	130.264	0
Accrued income and deferred expenses	20.316	11
Debtors in total	<u>17.426.226</u>	<u>10.311</u>
Cash funds	9.306.896	8.932
Current assets in total	<u>29.490.493</u>	<u>23.688</u>
Assets in total	<u>32.695.175</u>	<u>27.190</u>



Balance sheet 31 December

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
6	Contributed capital	500.000	500
7	Results brought forward	25.965.621	21.450
	Equity in total	<u>26.465.621</u>	<u>21.950</u>
Liabilities			
	Trade creditors	1.077.796	1.459
	Corporate tax	0	286
	Other debts	5.151.758	3.495
	Short-term liabilities in total	<u>6.229.554</u>	<u>5.240</u>
	Liabilities in total	<u>6.229.554</u>	<u>5.240</u>
	Equity and liabilities in total	<u>32.695.175</u>	<u>27.190</u>

8 Contingencies



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	3.642.939	3.783
Pension costs	185.852	234
Other costs for social security	17.190	19
	<u>3.845.981</u>	<u>4.036</u>
Average number of employees	<u>5</u>	<u>6</u>
2. Other financial costs		
Other financial costs	107.129	50
	<u>107.129</u>	<u>50</u>
3. Land and property		
Cost 1 January 2015	3.571.193	3.805
Disposals during the year	<u>0</u>	<u>-234</u>
Cost 31 December 2015	<u>3.571.193</u>	<u>3.571</u>
Depreciation and writedown 1 January 2015	-500.249	-419
Depreciation for the year	-98.133	-161
Adjustment of writedown, opening balance	<u>0</u>	<u>80</u>
Depreciation and writedown 31 December 2015	<u>-598.382</u>	<u>-500</u>
Book value 31 December 2015	<u>2.972.811</u>	<u>3.071</u>



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
4. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2015	879.845	685
Additions during the year	0	195
Disposals during the year	<u>-323.400</u>	<u>0</u>
Cost 31 December 2015	<u>556.445</u>	<u>880</u>
Depreciation and writedown 1 January 2015	-490.269	-309
Depreciation for the year	-133.856	-140
Depreciation, amortisation and writedown for the year, assets disposed of	257.951	0
Adjustment of writedown, opening balance	<u>0</u>	<u>-42</u>
Depreciation and writedown 31 December 2015	<u>-366.174</u>	<u>-491</u>
Book value 31 December 2015	<u>190.271</u>	<u>389</u>
5. Deposits		
Cost 1 January 2015	<u>41.600</u>	<u>42</u>
Cost 31 December 2015	<u>41.600</u>	<u>42</u>
Book value 31 December 2015	<u>41.600</u>	<u>42</u>
6. Contributed capital		
Contributed capital 1 January 2015	<u>500.000</u>	<u>500</u>
	<u>500.000</u>	<u>500</u>

The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.



Notes

Amounts concerning 2015: DKK.

Amounts concerning 2014: DKK in thousands.

	<u>31/12 2015</u>	<u>31/12 2014</u>
7. Results brought forward		
Results brought forward 1 January 2015	21.450.840	17.122
Profit or loss for the year brought forward	<u>4.514.781</u>	<u>4.328</u>
	<u>25.965.621</u>	<u>21.450</u>

8. Contingencies

Contingent liabilities

The company has entered into general tenancy agreement concerning Falstervej 7, Nyborg.

Operational leasing

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 110 thousand. The leasing contracts have 33 months left to run, and the total outstanding leasing payment is DKK 302 thousand.

Joint taxation

Stenqvist Danmark A/S being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 0 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 141 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



Accounting policies used

The annual report for Papier-Mettler Danmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales include costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.



Accounting policies used

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.



Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Buildings	25 years
Other plants, operating assets, fixtures and furniture	3-10 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Papier-Mettler Danmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.



Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Liabilities

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