

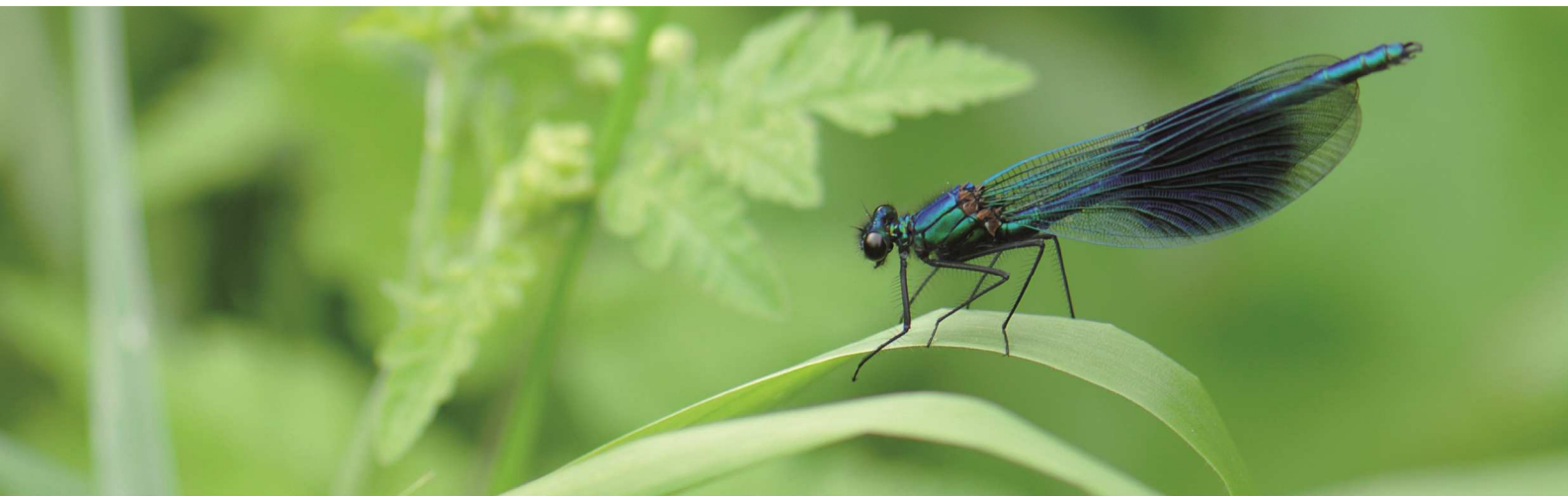
Marius Pedersen Holding A/S



ANNUAL CONSOLIDATED REPORT 2014

MARIUS PEDERSEN HOLDING A/S

CENTRAL BUSINESS REGISTRATION NO. 25 11 67 63



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Company Details

Company

Marius Pedersen Holding A/S

Central Business Registration No. 25 11 67 63

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Board of Directors

Finn Junge Andersen, Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Peter Schak Larsen

Executive Board

Christian Møller, CEO

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

The annual general meeting approved the annual report on / 2015

Chairman

Statement by the Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Marius Pedersen Holding A/S for the financial year 1 January - 31 December 2014.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards as adopted by the EU. The parent financial statements are presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of The Group's and the Parent's financial position at 31 December 2014

as well as of the results of their operations and cash flows for the financial year 1 January - 31 December 2014.

In our opinion, the management commentary contains a fair review of the development of The Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that The Group and the Parent face.

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

Ferritslev, 21 May 2015

Executive Board

Christian Møller
CEO

Board of directors

Finn Junge Andersen
Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Peter Schak Larsen

Independent Auditor's Report

To the shareholders of Marius Pedersen Holding A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Marius Pedersen Holding A/S for the financial year 1 January - 31 December 2014, which comprise the income statement, balance sheet, statement of changes in equity and notes, including the accounting policies, for The Group as well as the Parent, and the statement of comprehensive income and the cash flow statement of The Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the 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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU as well as the preparation of 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 the 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 give a true and fair view of The Group's financial position at 31-12-2014, and of the results of its operations and cash flows for the financial year 1 January - 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31-12-2014, and of the results of its operations for the financial year 1 January - 31 December 2014 in accordance with the Danish Financial Statements Act.

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 statements.

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 statements.

Odense, 21 May 2015

Deloitte

Statsautoriseret Revisionspartnerselskab

Henning Jensen

State authorised

Public accountant

Ole Hansen

State authorised

Public accountant

Management Commentary

Key figures

In thousands of DKK	2014	2013	2012
Revenue	2.591.050	2.621.932	2.729.815
Operating profit	303.565	270.094	330.265
Net financials	5.203	-1.115	-5.392
Profit for the year	245.098	209.904	258.650
Equity	1.414.747	2.049.357	2.075.010
Total Assets	3.022.782	2.898.401	3.030.620
Investments in tangible assets	238.940	291.626	249.893
Operationally assets	2.691.392	2.622.950	2.771.661
Operating margin (%)	11,7	10,3	12,1
Return on investment (%)	11,4	10,0	11,8
Return on equity (%)	14,2	10,2	13,2
Equity ratio (%)	46,8	70,7	68,5

* Key figures contains 3 years due to implementation of IFRS and consolidated financial statements per 1 January 2012

Primary activities

We consider waste to be a resource and we continue to work towards maximizing the part of waste for recycling and utilization and minimize the part for disposal.

Our services and products are by principle all types of waste – recyclable, burnable, waste for deposit, and hazardous waste both as solid and liquid waste.

Group activities include:

- Sorting, treatment and handling a series of different recyclable types of waste at our own sites.
- Trading of recyclable waste.
- Services concerning handling of waste and recyclables from the client to final recycling, utilisation, or disposal – that is consulting, material for rent, transport service, sludge service, management reporting and other types of reporting for trade, industrial production, institutions, households and municipal recycling stations. In addition the group executes contractor business and furthermore owns companies in Denmark, The Czech Republic and Slovakia primarily handling environmental activities.

Development in activities

During 2014 Marius Pedersen A/S has handled increasing volumes of recyclables in a very competitive market. The market for collection of municipal waste has been extremely competitive in 2014 and as it has very limited synergies with our other activities we have decided to decrease our market share in this segment. A number of new services relating to handling and treatment of recyclables have been offered to the municipal sphere following the intensions of the Danish Governments resource strategy. The fact that each municipality can decide by itself how to obtain the targets of the resource strategy makes it hard to offer services that can make advantage of big scale solutions. Marius Pedersen A/S opened its first pre-treatment operation for bio waste at the end of 2014, handling bio waste with and without packaging from commercial, industrial and municipal customers.



Management Commentary

In the markets in Czech Republic and Slovakia the volumes in 2014 have been stable and the development has been satisfactory. A new facility for biogas extraction from waste water treatment has been taken into operation in 2014 and is performing very well. In Slovakia the company Petmas spol s.r.o. was taken over in September and activities moved to Marius Pedersen a.s. operation nearby.

During 2014 Entreprenør Marius Pedersens Fond acquired 65% of shares in Marius Pedersen Holding A/S from Veolia Proprete. Entreprenør Marius Pedersens Fond is therefore solely ultimate owner of 100% of shares in Marius Pedersen Holding A/S.

Development in finances

Profit for the year is 245,1 MDKK which is an increase of 35,2 MDKK compared to 2013 where 34 MDKK is due to changed use of estimates for discounting of provisions for recultivation of landfills in The Czech Republic.

Operating profit is 303,6 MDKK in 2014 which is 33,5 MDKK above profit in 2013 where 23 MDKK is due to changed use of estimates for discounting of provisions for recultivation of landfills in The Czech Republic.

Revenue is 2.591 MDKK in 2014 and 2.622 MDKK in 2013 a decrease of 31 MDKK. In Denmark revenue is 31 MDKK higher and in The Czech Republic revenue is 61 MDKK lower where 64 MDKK is due to lower exchange rate of the Czech crowns. In Slovakia revenue is on same level as in 2013.

Profit for The Group is considered satisfactory.

Financial reporting

The Group has decided to prepare a consolidated financial statement from the year 2013 according to International Financial Reporting Standards (IFRS)

The Group has decided to prepare the financial statements for the parent company and The Group in English.

Particular risks

Financial risks and interest risks

The Group has a financial policy which operates with a low risk profile. This means that currency, interest and credit risk only occur based on commercial conditions.

The Group's use of derivative financial instruments is regulated by a written policy approved by the board of directors and internal procedures which among other things set maximum amounts allowed and which derivative financial instrument that can be used.

Currency risks

The Group's result from group enterprises is dependent on changes in exchange rates (CZK, EUR), due to the fact that the foreign group enterprises' results and equity at the end of the year are being converted into Danish kroner based on the average rate and the rate of the balance sheet date.

Business risks

The Group's most significant risks are linked to the ability of being strongly positioned on the activity areas on which The Group's services are directed. The Group continuously invests in

new equipment and facilities to secure optimum utilization and efficiency.

Environmental performance

The Group acts in accordance with current environmental and safety legislations which help to create a healthy and safe environment.

The Group continuously evaluates the total activities in order to constantly reduce the environmental impact. Business relations are also encouraged to choose systems or products that secure the highest possible amount of recycling or reduction in the use of natural resources.

The Group's ISO-14001 certification covers all environmental activities of The Group. The Group is also ISO-9001 certified.

In order to promote environmental and safety conscience in general The Group is educating and creating awareness among its employees for them to take responsibility for environment, health and safety.

Research and development

The Group is continuously developing products and service concepts. These are charged to the profit and loss account.

Events after the balance sheet date

To this date no events have occurred after the balance sheet date which influences the evaluation of this annual report.

Outlook

The Group expects a continuing positive development in the activities, revenue and result.

Corporate Social Responsibility

Corporate Social Responsibility according to Danish Financial Statements Act § 99a

From the full spectrum of general CSR topics available, we choose to work with topics that are particularly relevant to our industry, assessed in terms of our main impacts and the importance of those topics to our shareholders.

Human Rights

The Group wants at all times to respect human rights but does not have an actual group policy.

Human Resources

Through development and maintenance of the employees' knowledge and skills, the Group ensures a high level of efficiency within its companies, and this ensures creation of innovative products and their capability to be competitive in the selected markets. The necessary qualifications are insured through a purposive education of the employees, as well as through co-operation with external parties, among these knowledge institutions.

Environmental policy

The Group is actively working to promote the environmental policy. This is done by:

- Ensuring that we apply to the conditions set out in our environmental authorizations. The goal of carrying out

Management Commentary

internal evaluations of all permits, terms and conditions has been achieved in 2014.

- To affect the environment least possible including minimizing the energy consumption while handling product volumes on our plants. On basis of the 2014 results further goals have been set for 2015.
- To ensure that transport has the least possible impact on the environment, e.g. the trucks are continuously having installed speed limiter and stop at engine idling, as are the drivers trained in fuel efficient driving. In 2014 tests with installation of on board computers in a number of trucks for surveillance of the driving pattern have shown promising results.

All the Danish activities have been covered by our environmental certification since 2013.

We will continue promoting environment.

Health and safety policy

The Group is actively working to promote the health and safety policy. This is done by:

- Work related accidents are registered and the causes are analysed.
- Employees are instructed and trained in safe behaviour as well as potential hazards and risks of the work they are to carry out, and health and safety representatives get continuing training.
- Every second year an employee satisfaction survey is carried out and goals for the level of employee satisfaction have been set. The result from the survey gives rise to initiatives in selected areas.
- Goals are set for employee absence and the level of absence continues to be satisfactory.

We will continue promoting health and safety.

Gender composition in the Top Management Body according to Danish Financial Statements Act § 99b

At any time The Group aims to have a harmonious and competent management. The composition of management always takes into account the characteristics and capabilities of each member of the management and how they can positively contribute to The Group.

Policy and Action

The Group's employees should all feel that they have the same opportunities for career and management positions regardless of gender. The employees should feel that The Group has an open and unbiased culture in which the individual can exploit his skills in the best possible way regardless of gender.

At any time The Group aims to have a harmonious and competent management at all levels of the organisation therefore occupation of management positions take into account the candidate's qualifications and competencies relevant to the responsibility. A management position in the organisation will

always be filled with the best candidate based on an overall assessment.

At appointment of management positions The Group will aim to invite at least one candidate of the underrepresented gender if the candidate has the desired and required qualifications.

Targets and status

Referring to the Danish Financial Statements Act § 99b the target is based upon the Board's knowledge about the Industry and the amount of suitable candidates generally considered in the Industry. The Board believes that the target is both ambitious and realistic to achieve.

Top Management Body (Board of Directors)

The Group has a professional Board of directors and the aim over a period of the next 3 years is to have a gender distribution of 30/70 % in the Top Management Body.

At the moment the gender distribution is 25/75 %. Last year gender distribution was 16,7/83,3%.

Top Management

The aim over a period of the next 3 years is to maintain a gender distribution of 40/60 % in the Top Management. Last year gender distribution was also 40/60%

Other Management

The aim over a period of the next 3 years is to have a gender distribution of 25/75 % in The Group's management team.

At the moment the gender distribution is 12,5/87,5%. Last year gender distribution was 11,5 / 88,5 %.

Section Corporate Social Responsibility regards only Danish companies. Intention of the Group is where possible to include companies in Czech Republic and Slovakia in future.



Consolidated Statement of Comprehensive Income

<i>1 January - 31 December</i>			
<i>In thousands of DKK</i>	<i>Note</i>	2014	2013
Revenues	6	2.591.050	2.621.932
Direct production costs	7, 8	1.720.811	1.746.977
Contribution margin		870.239	874.955
Other production costs	7, 8	420.446	436.745
Gross profit		449.793	438.210
Distribution costs	7, 8	88.751	105.677
Administrative costs	7, 8	62.123	64.546
Other operating income and expenses	9	3.118	444
Equity-accounted investees	10	1.528	1.663
Operating profit		303.565	270.094
Profit after tax in associates		-435	-5
Income from financial investments and securities	11	31	7.272
Financial income	12	14.089	6.690
Financial expense	13	8.482	15.072
Profit before tax		308.768	268.979
Taxation on profit for the financial year	14	63.670	59.075
Profit for the year		245.098	209.904
Items that can be reclassified to profit or loss:			
Foreign exchange adjustments of subsidiaries		-7.909	-74.476
Total comprehensive income for the year		237.189	135.428
Attributable to: Non-controlling interest		37.952	25.001
Attributable to: Owner of the parent		199.237	110.427



Consolidated Statement of Financial Position

<i>31 December</i>			
<i>In thousands of DKK</i>	<i>Note</i>	<i>2014</i>	<i>2013</i>
Assets			
Property, plant and equipment	15	1.271.382	1.272.101
Goodwill and other intangible assets	16	639.342	629.925
Equity accounted investees	10	4.712	4.939
Investments in associates	17	1.990	2.420
Securities	18	222	1.082
Trade and other receivables	19, 27	5.053	5.664
Cash on escrow accounts	20	223.324	212.450
Deferred tax assets	21	70.389	23.970
Total non-current assets		2.216.414	2.152.551
Inventories	22	29.849	30.566
Trade and other receivables	19	418.551	409.325
Tax receivables		22.987	25.573
Other assets		7.766	5.017
Cash and cash equivalents		327.215	275.369
Total current assets		806.368	745.850
Total assets		3.022.782	2.898.401
Equity			
Share capital	23	27.977	27.977
Reserves and other funds	23	-48.434	-40.525
Retained earnings		1.271.793	1.916.194
Issued capital and reserves attributable to owners of the parent		1.251.336	1.903.646
Non-controlling interest		163.411	145.711
Total equity		1.414.747	2.049.357
Liabilities			
Provisions	25	392.699	304.533
Deferred tax liability	21	50.289	36.316
Other non-current liabilities		3.130	10.240
Total non-current liabilities		446.118	351.089
Trade and other payables	26	328.762	308.015
Interest-bearing loans and borrowings	24	799.486	148.662
Provisions	25	15.827	25.303
Current tax payable		17.842	15.975
Total current liabilities		1.161.917	497.955
Total liabilities		1.608.035	849.044
Total equity and liabilities		3.022.782	2.898.401

Consolidated Statement of Changes in Equity

<i>In thousands of DKK</i>	Share capital	Translation reserve	Retained earnings	Non-controlling interest	Total
Balance at 1 January 2013	27.977	22.420	1.872.518	152.095	2.075.010
Profit for the year	0	0	184.903	25.001	209.904
<i>Other comprehensive income:</i>					
Foreign exchange adjustments	0	-62.945	0	-11.531	-74.476
Total comprehensive income	0	-62.945	184.903	13.470	135.428
Dividend paid	0	0	-142.000	-20.231	-162.231
Other capital changes	0	0	773	377	1.150
Changes in equity	0	-62.945	43.676	-6.384	-25.653
Balance at 31 December 2013	27.977	-40.525	1.916.194	145.711	2.049.357
Balance at 1 January 2014	27.977	-40.525	1.916.194	145.711	2.049.357
Profit for the year	0	0	207.146	37.952	245.098
<i>Other comprehensive income:</i>					
Foreign exchange adjustments	0	-7.909	0	0	-7.909
Total comprehensive income	0	-7.909	207.146	37.952	237.189
Dividend paid	0	0	-850.000	-20.252	-870.252
Other capital changes	0	0	-1.547	0	-1.547
Changes in equity	0	-7.909	-644.401	17.700	-634.610
Balance at 31 December 2014	27.977	-48.434	1.271.793	163.411	1.414.747



Consolidated Statement of Cash Flows

<i>In thousands of DKK</i>	<i>Note</i>	2014	2013
Cash flows from operating activities			
Total comprehensive income for the period		237.189	135.428
Adjustments for:			
Depreciation and amortization	15, 16	271.380	303.992
Impairment losses (reversal) on receivables		-2.889	692
Financial income	12	-14.089	-6.690
Financial expense	13	8.482	15.072
Tax expense	14	63.670	59.075
Profit/Loss on disposals of property, plant and equipment		-5.061	-3.408
Profit/Loss on disposals of financial assets	11	-31	-7.272
Increase /(decrease) in provisions		-4.166	-10.403
Foreign exchange adjustments of subsidiaries		7.909	74.476
Operating cash flow before changes in working capital		562.394	560.962
Increase/decrease in inventories		717	-910
Increase/decrease in receivables		-9.226	60.763
Increase/decrease in payables		20.747	-23.075
Increase/decrease in escrow accounts		-10.874	-2.575
Cash flow from operations		563.758	595.165
Interest paid		-8.482	-15.072
Income taxes paid		-41.173	-61.447
Net cash from operating activities		514.103	518.646
Cash flows from investing activities			
Interest received	12	14.089	6.690
Dividends received from equity-accounted investees		1.660	2.134
Proceeds from sale of property, plant and equipment		12.529	13.675
Proceeds from sale of financial assets		0	19.764
Acquisitions of subsidiary, net of cash acquired		-9.774	0
Acquisition of property, plant and equipment		-257.145	-261.521
Net cash used in investing activities		-238.641	-219.258
Cash flows from financing activities			
Dividends paid to shareholders		-850.000	-142.000
Dividends paid to non-controlling interests		-20.252	-20.231
Increase of non-current liabilities		-7.110	-701
Net cash used in financing activities		-877.362	-162.932
Net increase in cash and cash equivalents		-601.900	136.456
Cash and cash equivalents at 1 January		275.369	-6.033
Bank overdrafts at 1 January		-148.662	0
Foreign exchange rate adjustments		2.922	-3.716
Cash and cash equivalents at 31 December		-472.271	126.707
Cash on bank accounts		327.215	275.369
Bank overdrafts		-799.486	-148.662
Cash and cash equivalents at 31 December		-472.271	126.707

Notes to the Consolidated Financial Statements

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Notes to the Consolidated Financial Statements

1. General information

The ultimate parent has changed during the financial year 2014 to Entreprenør Marius Pedersens Fond through the new immediate parent MPWM 2014 A/S by an acquisition as at 27 June 2014.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements for the year ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and requirements of the Danish Financial Statements Act.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

The consolidated financial statements are presented in Danish kroner (DKK), which is the presentation currency for The Group's operations and the functional currency for the parent company. The currency is rounded to the nearest thousand (further described as "thousands DKK").

d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

- Note 15 – Property, plant and equipment
- Note 16 – Goodwill
- Note 19 – Trade and other receivables
- Note 25 – Provisions

Impairment of property, plant and equipment

Factors considered important, as part of an impairment review, include the following:

- Technological advancements;
- Significant underperformance relative to expected historical or projected future operating results;

- Significant changes in the manner of our use of the acquired assets or the strategy for our overall business;

When The Group determines that the carrying value of non-current assets may not be recoverable based upon the existence of one or more of the above indicators of impairment, any impairment is measured based on our estimates of projected net discounted cash flows expected to result from that asset, including eventual disposition. Our estimated impairment could prove insufficient if our analysis overestimated the cash flows or conditions change in the future.

Recoverable amount of goodwill

Determining any need for impairment write-down of recognised goodwill requires a calculation of the values in use of the cash-generating units to which the goodwill amounts have been allocated. The calculation of value in use requires an estimate of the expected future cash flows of each cash-generating unit and the determination of a discount rate. For a detailed description of discount rates etc. see note 16.

Allowance for bad and doubtful debts

Receivables are decreased by write-downs for any amounts expected to be irrecoverable. The Group evaluates the recoverability of receivables based on the aging structure as well as an individual case-by-case assessment.

Provisions for restoration and monitoring of landfills

Provisions for restoration and monitoring of waste sites are based on Group's assessment of future cost and its timing. The individual amounts are increased by expected inflation and discounted to the financial statements date. The discount rates used are based on the yield of government bonds with maturities similar to the timing of the restoration and monitoring costs.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements were prepared using the going concern assumption that The Group will continue its operations for the foreseeable future.

a) Basis for consolidation

The Group consolidates financial statements of all its subsidiaries and joint ventures.

Subsidiaries are entities controlled by The Group. Control exists when The Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by The Group.

Joint ventures are those entities over whose activities The Group has joint control, established by contractual agreement and requiring unanimous consent for strategic

Notes to the Consolidated Financial Statements

financial and operating decisions. The financial statements of joint ventures are consolidated using the proportional method of consolidation based on The Group's share on the profit or loss of the joint venture.

The acquisition of subsidiaries and joint ventures is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by The Group in exchange for control of the subsidiary or joint venture, plus any costs directly attributable to the business combination. The acquires identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Goodwill arises on the acquisition of subsidiaries and joint ventures. Goodwill represents the excess of the cost of the acquisition over The Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquire. When the excess is negative, it is recognised immediately in profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses (see accounting policy g). For the purpose of impairment testing, goodwill is allocated to each of The Group's cash-generating units expected to benefit from the synergies of the business combination. As required by IAS 36 and IFRS 3, the impairment of goodwill is tested annually or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of the goodwill and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary the amount of goodwill which is attributable is included in the profit or loss on disposal.

The profit or loss of consolidated subsidiaries is included in the consolidated statement of comprehensive income only for periods after the date of acquisition. Accordingly, the consolidated financial statements do not include any income, cash flows or other transactions of subsidiaries before the acquisition date.

All transactions, balances, and unrealised profits and losses on transactions within The Group have been eliminated upon consolidation.

Foreign currency translation of foreign entities.

A functional currency is designated for each of the reporting entities in the group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates.

Transactions denominated in currencies other than the functional currency are transactions in foreign currency. On initial recognition, transactions denominated in foreign currency are translated into the functional currency at the exchange rate at the transaction date. Gains and losses arising between the rate at the transaction date and the rate at the date of payment are recognised in the statement

of comprehensive income under financial income and expenses, net. Receivables, payables and other monetary items denominated in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Differences between the rate at the balance sheet date and the rate at the transaction date or the exchange rate stated in the latest annual report are recognised in the statement of comprehensive income under financial income and expenses, net. On recognition of foreign subsidiaries and associates with functional currencies other than DKK, comprehensive income statement items are translated at the rate at the transaction date, and balance sheet items including goodwill are translated at the rate at the balance sheet date. The rate at the transaction date is calculated as the average rate of the individual month to the extent that this does not significantly distort the presentation.

Foreign exchange differences arising on the translation of opening equity of these entities at the rate at the balance sheet date and on the translation of comprehensive income statement items from average rates to the rate at the balance sheet date are recognised in the consolidated financial statements in other comprehensive income in equity as a separate translation reserve. On full divestment of a foreign entity, the part of accumulated foreign exchange adjustment that is recognised in equity and that is attributable to that entity is recognised in profit/loss for the year together with any gains or losses from the divestment.



Notes to the Consolidated Financial Statements

b) Foreign currency

Transactions in foreign currencies are translated to DKK at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting sheet date are translated to euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in profit or loss.

c) Financial instruments

i. Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, at which The Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred

financial assets that is created or retained by The Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, The Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables, cash on escrow accounts and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses (see accounting policy g).

Loans and receivables comprise trade and other receivables.

Cash on escrow accounts comprise cash balances mostly with maturities of one year and longer. The use of these balances is limited by waste management legislation in Czech Republic and Slovakia mainly to payment for restoration and monitoring of waste sites.

Cash and cash equivalents comprise cash balances with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of

The Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Non-derivative financial liabilities

The Group initially recognizes financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date at which The Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, The Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: interest bearing loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method.

d) Property, plant and equipment

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and accumulated impairment losses (see accounting policy g). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "Other operating income and expenses" in Consolidated Statement of Comprehensive Income.

ii. Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to The Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day

Notes to the Consolidated Financial Statements

servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation of waste sites is recognised in profit or loss based on the capacity used. Depreciation of other assets is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

- Buildings 20 - 50 years
- Machinery and equipment 3 - 10 years
- Other tangible assets 3 - 10 years

Depreciation methods and useful lives, as well as residual values, are reassessed at each financial year-end and adjusted if appropriate.



e) Other intangible assets

i. Measurement

Other intangible assets comprise mainly software acquired by The Group and are stated at cost less accumulated amortization (see below) and accumulated impairment losses (see accounting policy g).

ii. Amortization

Amortization of other intangible assets is charged to the profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful life of software is 4 years.

f) Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of inventories is based on the weighted average cost formula and includes expenditure incurred in acquiring the inventories production or conversion costs and other cost incurred bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

g) Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates

that a loss event has occurred after the initial recognition of the asset and that the loss had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of The Group's non-financial assets, other than inventories (see accounting policy f) and deferred tax assets (see accounting policy m), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of the assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses in respect of goodwill are not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Notes to the Consolidated Financial Statements

h) Dividends

Dividends are recognized as a liability in the period in which they are declared.

i) Provisions

A provision is recognized in the statement of financial position when The Group has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

j) Revenue

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Revenues from services rendered are recognised in profit or loss when performed.

k) Expenses

i. Operating lease payments

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease expense.

ii. Finance costs and finance income

Finance costs and finance income comprise interest expense on borrowings calculated using the effective interest rate method, interest income on funds invested, foreign exchange gains and losses, and gains and losses on derivative instruments that are recognized in the profit or loss.

Interest income and expense are recognized in the profit or loss as they accrue, using the effective interest rate method.

l) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, recognized in respect of temporary differences

between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit are not provided for. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Joint taxation contributions payable and receivable are recognised as income tax in the balance sheet of the parent company.

m) New standards and interpretations not yet adopted

The IASB has issued a number of financial reporting standards, amendments and interpretations with which The Group must comply for financial years beginning on or after 1 January 2015.

The financial reporting standards, amendments and interpretations which have not come into force are not considered to significantly affect the consolidated financial statements in future financial years.

However, the analysis of the expected impact of implementing IFRS 9 and IFRS 15 has not been finalized, see below.

IFRS 9 "Financial Instruments" which replaces IAS 39, changes the classification and subsequent measurement of financial assets and liabilities. The standard introduces a more logical approach to classification of financial assets based on the business model applied in the entity and the characteristics of the underlying cashflows. The standard also introduces a new impairment model for all financial assets.

IFRS 15 "Revenue from Contracts with Customers" which replaces the current standards, IAS 11 and IAS 18, and interpretations, introduces a new framework for recognition and measurement of revenue from contracts with customers. The standard provide a five-step model to be applied to all contracts with customers to determine when and how revenue is to be recognized in profit and loss.

4. Fair values

A number of The Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Notes to the Consolidated Financial Statements

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.



The fair value of trade and other receivables, cash and cash equivalents and non-derivative financial liabilities does not significantly differ from their carrying amounts.

5. Risk management Overview

The Group has exposure to the following risks from its use of financial instruments and from its operations:

- credit risk
- liquidity risk
- market risk
- currency risk
- interest rate risk
- operational risk.

This note presents information about The Group's exposure to each of the above risks, The Group's objectives, policies and processes for measuring and managing risk, and The Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Directors have overall responsibility for the establishment and oversight of The Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by The Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Directors monitor compliance with The Group's risk management policies and procedures and review the

adequacy of the risk management framework in relation to the risks faced by The Group.

Credit risk

Credit risk is the risk of financial loss to The Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Group's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets.

The maximum exposure to credit risk is represented by the carrying amount of all financial assets in the statement of financial position.

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than The Group. Transactions involving derivative financial instruments are with counterparties recommended by headquarter based on their sound credit ratings. Given their high credit ratings, management does not expect any counterparty to derivative transactions to fail to meet its obligations. For the time being The Group does not use derivative financial instruments.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Liquidity risk

Liquidity risk is the risk that The Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to The Group's reputation. Typically The Group ensures that it has sufficient cash on demand or undrawn overdraft facility to meet expected operational expenses for a period of at least 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect The Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Group is not exposed to significant foreign currency risk on sales and purchases.

Notes to the Consolidated Financial Statements

The Group is exposed to currency risk regarding investments in subsidiaries in Slovakia (EUR) and especially in Czech Republic (CZK).

Interest rate risk

The Group's operating revenues and operating cash flows are assessed not to be significantly affected by interest changes with the current market conditions. The Group has no significant interest bearing asset. The Group has overdraft facility portfolio with floating interest rates (see Note 24).

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with The Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the operations of The Group.

The objective of The Group is to manage operational risk so as to balance the avoidance of financial losses and

damage to The Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to Directors and senior management. This responsibility is supported by the development of overall Group standards for the management of operational risk.

Capital management

The Group defines capital as its Equity. The Group's policy is to maintain a strong capital base so as to sustain future development of the business. The Group's needs for the capital are satisfied through borrowings and not through changes in share capital. The Group does not provide any employees shares.

There were no changes in The Group's approach to capital management during the period.

The Group is not subject to externally imposed capital requirements.

Financial highlights

Operating margin (%)	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on investment (%)	$\frac{\text{Operating profit} \times 100}{\text{Average operationally assets}}$
Return on equity (%)	$\frac{\text{Profit for the year} \times 100}{\text{Average Equity}}$
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$

Average operating assets are defined as balance Sheet total minus cash funds, interest bearing assets (including shares) and investments in associate enterprises.

Notes to the Consolidated Financial Statements

6. Revenues

<i>In thousands of DKK</i>	2014	2013
Collection local authorities	753.231	795.311
Winter and road cleaning	9.207	10.538
Collection commercial	1.127.289	1.130.445
Sorting	492.956	471.597
Landfill	157.025	161.340
Other	51.342	52.701
	2.591.050	2.621.932

7. Amortisation, Depreciation and Impairment

<i>In thousands of DKK</i>	2014	2013
Amortisation, depreciation and impairment losses of non-current assets are specified as follows:		
Amortisation, intangible assets	6.673	4.984
Depreciation, property, plant and equipment	264.707	299.008
	271.380	303.992
Amortisation, depreciation and impairment losses of non-current assets have been expensed as follows:		
Direct and other production costs	265.751	297.779
Distribution costs	3.252	2.978
Administrative costs	2.377	3.235
	271.380	303.992

8. Staff Costs

<i>In thousands of DKK</i>	2014	2013
Staff costs are specified as follows:		
Wages and salaries, etc.	669.238	647.504
Pension schemes	31.455	30.109
Other social security expenses	18.952	16.503
	719.645	694.116
Attributable to:		
Board of Directors and management		
Board remuneration and salary for management	4.025	4.253
	4.025	4.253
Average number of employees	4.028	3.888

Notes to the Consolidated Financial Statements

Staff costs have been expensed as follows:

<i>In thousands of DKK</i>	2014	2013
Direct and other production costs	622.202	596.201
Distribution costs	59.014	56.362
Administrative costs	38.429	41.553
	719.645	694.116

9. Other operating income and expenses

<i>In thousands of DKK</i>	2014	2013
Creation of value adjustment receivables	-373	-231
Other operating expenses and revenues	3.491	675
	3.118	444

10. Equity accounted investees

The company has shares in two companies that represents separate entities and the Group has a residual interest in their net assets. The interests are classified as joint ventures. The following table analyses the aggregated financial information of both investees as included in their own individual financial statements adjusted for differences in accounting policies.

<i>In thousands of DKK</i>	2014	2013
Non current assets	9.878	10.325
Current assets	8.478	9.467
Non-current liabilities	-7.488	-9.079
Current liabilities	-2.888	-2.328
Net assets (100%)	7.980	8.385
Group's share on assets	4.712	4.939
Carrying amount of interest in joint venture	4.712	4.939
Revenue	20.187	20.240
Depreciation	-1.029	-1.059
Interest expense	-30	-37
Income tax expense	-768	-910
Profit and total comprehensive income (100%)	2.639	2.864
Group's share of profit and total comp. Income	1.528	1.663
Dividends received by the group	1.660	2.134

11. Income from financial investments and securities

<i>In thousands of DKK</i>	2014	2013
Gain of sale of investments	31	7.272
	31	7.272

Notes to the Consolidated Financial Statements

12. Financial income

<i>In thousands of DKK</i>	2014	2013
Unwinding of discount of long-term provisions	8.672	2.200
Other interest income	5.417	4.490
	14.089	6.690

13. Financial expense

<i>In thousands of DKK</i>	2014	2013
Interest expense from group enterprises	34	0
Unwinding of discount of long-term provisions	3.199	12.432
Other interest expenses	5.249	2.640
	8.482	15.072

14. Taxation on profit for the financial year

<i>In thousands of DKK</i>	2014	2013
Tax on profit for the year	63.670	59.075
	63.670	59.075
Tax on profit has been calculated as follows		
Current tax	60.919	63.617
Change in deferred tax	2.736	-4.115
Adjustment concerning previous years	15	-427
	63.670	59.075

Income tax reconciliation

<i>In thousands of DKK</i>	2014	2013
Profit before tax	308.768	268.979
Tax charged at 24,5 % / 25%	75.648	67.245
Adjustment of tax calculated for foreign subsidiaries in relation to 25 %	-6.699	-11.287
Tax effect of:		
Change in income tax rate	-1.654	-628
Non-taxable income and non-deductible expenses	-3.714	3.832
Non-taxable income and non-deductible expenses	89	-87
	63.670	59.075
Effective tax rate	20,6%	22,0%

Notes to the Consolidated Financial Statements

15. Property, plant and equipment

<i>In thousands of DKK</i>	Land and buildings	Machinery and equipment	Other tangible assets	Under construction	Total
Cost					
Balance at 1 January 2013	1.267.682	2.350.316	354.899	59.149	4.032.046
Adjustments at the beginning of the year	347	-629	-218	0	-500
Exchange rate adjustments	-58.664	-68.560	-28.944	-2.710	-158.878
Acquisitions	65.157	174.067	48.891	3.511	291.626
Transfer	10.142	8.163	84	-18.344	45
Disposals	-18.116	-90.329	-16.056	0	-124.501
Balance at 31 December 2013	1.266.548	2.373.028	358.656	41.606	4.039.838
Depreciation and impairment losses					
Balance at 1 January 2013	709.042	1.636.270	327.870	0	2.673.182
Adjustments at the beginning of the year	203	-552	-218	0	-567
Exchange rate adjustments	-35.864	-46.896	-26.717	0	-109.477
Depreciation charged for the period	50.541	212.995	40.171	0	303.707
Transfer	172	-127	0	0	45
Disposals	-6.083	-77.848	-15.222	0	-99.153
Balance at 31 December 2013	718.011	1.723.842	325.884	0	2.767.737
Carrying amounts					
At 1 January 2013	558.640	714.046	27.029	59.149	1.358.864
At 31 December 2013	548.537	649.186	32.772	41.606	1.272.101
Cost					
Balance at 1 January 2014	1.266.548	2.373.028	358.656	41.606	4.039.838
Adjustments due to changes in estimates	101.292	-4.468	-262.460	-210	-165.846
Exchange rate adjustments	-8.705	-9.231	-673	-386	-18.995
Acquisitions	56.842	153.033	10.873	18.192	238.940
Transfer	10.232	1.507	43	-11.782	0
Disposals	-2.496	-70.215	-12.358	0	-85.069
Balance at 31 December 2014	1.423.713	2.443.654	94.081	47.420	4.008.868
Depreciation and impairment losses					
Balance at 1 January 2014	718.011	1.723.842	325.884	0	2.767.737
Adjustments due to changes in estimates	51.359	-3.517	-262.415	0	-214.573
Exchange rate adjustments	-5.293	-6.626	-413	0	-12.332
Depreciation charged for the period	59.030	195.311	10.366	0	264.707
Transfer	0	51	0	0	51
Disposals	-2.482	-57.578	-8.044	0	-68.104
Balance at 31 December 2014	820.625	1.851.483	65.378	0	2.737.486
Carrying amounts					
At 1 January 2014	548.537	649.186	32.772	41.606	1.272.101
At 31 December 2014	603.088	592.171	28.703	47.420	1.271.382

Property, plant and equipment have been insured against natural risks, theft and vandalism. Mortgage and securities – see note 28.

Notes to the Consolidated Financial Statements

16. Goodwill and other intangible assets

<i>In thousands of DKK</i>	Software	Other intangible assets	Goodwill	Under construction	Total
Cost					
Balance at 1 January 2013	35.719	20.474	626.779	5.078	688.050
Exchange rate adjustments	-889	-1.664	-15.657	-837	-19.047
Acquisitions	963	9	0	7.643	8.615
Transfer	195	0	0	-195	0
Disposals	-5.529	0	-313	0	-5.842
Balance at 31 December 2013	30.459	18.819	610.809	11.689	671.776
Depreciation and impairment losses					
Balance at 1 January 2013	31.159	13.228	0	0	44.387
Exchange rate adjustments	-834	-1.157	0	0	-1.991
Depreciation charged for the period	2.960	2.024	0	0	4.984
Disposals	-5.529	0	0	0	-5.529
Balance at 31 December 2013	27.756	14.095	0	0	41.851
Carrying amounts					
At 1 January 2013	4.560	7.246	626.779	5.078	643.663
At 31 December 2013	2.703	4.724	610.809	11.689	629.925
Cost					
Balance at 1 January 2014	30.459	18.819	610.809	11.689	671.776
Adjustments due to changes in estimates	0	-8.002	0	0	-8.002
Exchange rate adjustments	-182	-121	-1.943	-73	-2.319
Acquisitions	1.730	6.426	8.008	2.041	18.205
Transfer	8.361	0	0	-8.361	0
Disposals	-124	0	0	0	-124
Balance at 31 December 2014	40.244	17.122	616.874	5.296	679.536
Depreciation and impairment losses					
Balance at 1 January 2014	27.756	14.095	0	0	41.851
Adjustments due to changes in estimates	0	-8.002	0	0	-8.002
Exchange rate adjustments	-127	-75	0	0	-202
Depreciation charged for the period	4.594	2.079	0	0	6.673
Disposals	-126	0	0	0	-126
Balance at 31 December 2014	32.097	8.097	0	0	40.194
Carrying amounts					
At 1 January 2014	2.703	4.724	610.809	11.689	629.925
At 31 December 2014	8.147	9.025	616.874	5.296	639.342

Goodwill

Goodwill has been allocated on Group level.

Based on expected future net cash flows, management believes that the carrying amount of goodwill will not significantly exceed the recoverable amount. The estimate is based on the results achieved and the expected level of future earnings.

Notes to the Consolidated Financial Statements

Goodwill (cont'd)

The recoverable amount is based on the value in use determined by means of expected net cash flows on the basis of approved budgets for 2015 and forecasts for the period 2016-2019 and by using a pre-tax discount rate of 8,0 % which takes into account the specific risks characterising the actual markets. The calculation is based on low growth assumptions.

17. Investments in associates

<i>In thousands of DKK</i>	2014	2013
Cost		
Cost at 1 January	601	601
Cost at 31 December	601	601
Value adjustments at 1 January	1.824	1.824
Share of profit	-435	-5
Value adjustments at 31 December	1.389	1.819
Carrying amounts		
At 1 January	2.425	2.425
At 31 December	1.990	2.420

Investments in associates are measured in the consolidated balance sheet using the equity method.

18. Securities

<i>In thousands of DKK</i>	2014	2013
Securities are classified in the statement of financial position as follows		
Non-current assets	222	1.082
Current assets	0	0
Total	222	1.082
Types of security:		
Unlisted shares	222	1.082
Total	222	1.082

19. Trade and other receivables

<i>In thousands of DKK</i>	2014	2013
Trade receivables	407.575	400.457
Loans	8.586	16.674
Other receivables	27.909	22.466
Less: Allowance for bad and doubtful debts	-20.466	-24.608
	423.604	414.989
thereof:		
Due after more than 1 year	5.053	5.664
Due within 1 year	418.551	409.325

Notes to the Consolidated Financial Statements

The aging of trade receivables that are subject to credit risk was as follows:

<i>In thousands of DKK</i>	2014	2013
Not yet due	341.119	312.507
Overdue by less than 1 month	72.786	83.041
Overdue by 1 to 3 months	9.642	20.231
Overdue by 3 to 6 months	2.499	2.426
Overdue by 6 to 12 months	2.181	3.669
Overdue by more than 12 months	15.843	17.723
	444.070	439.597

Roll-forward of allowance for bad and doubtful debt

<i>In thousands of DKK</i>	2014	2013
Balance at 1 January	-24.608	-24.802
Exchange rate adjustments	129	-11.226
Impairment losses	-4.019	-5.451
Discounting of long-term receivables / (unwinding of interest)	60	127
Use of allowance	2199	0
Impairment reversals	5.773	16.744
Balance at 31 December	-20.466	-24.608

20. Cash on escrow accounts

Cash on escrow accounts comprise cash balances mostly with maturities of one year and longer. The use of these cash balances are limited by waste management legislation in Czech Republic and Slovakia mainly to payment for restoration and monitoring of waste sites as shown in note 25.

21. Deferred tax assets and liabilities

<i>In thousands of DKK</i>	2014	2013
Property, plant and equipment	19.658	15.382
Goodwill and intangible assets	6.383	15.155
Trade receivables	-1.198	-1.775
Provisions	-44.112	-15.902
Tax losses	-831	-514
	-20.100	12.346

Net deferred tax (liability) / asset is attributable to the following:

<i>In thousands of DKK</i>	2014	2013
Deferred tax assets	70.389	23.970
Deferred tax liability	50.289	36.316
	-20.100	12.346

Notes to the Consolidated Financial Statements

All movements in temporary differences were recognized in the income statement during the relevant periods.

<i>In thousands of DKK</i>	Property, plant and equipment	Goodwill and intangible assets	Receivables	Provisions	Tax losses	Total
Deferred tax at 1 January 2013	24.135	8.151	-1.704	-15.255	-3.670	11.657
Foreign exchange adjustment	-645	0	-81	-1.144	-11	-1.881
Recognised in profit for the year, net	-8.108	7.004	10	497	3.167	2.570
Deferred tax at 31 December 2013	15.382	15.155	-1.775	-15.902	-514	12.346
Deferred tax at 1 January 2014	15.382	15.155	-1.775	-15.902	-514	12.346
Foreign exchange adjustment	-31	0	-3	-45	0	-79
Adjustments due to changes in estimates	0	0	0	-35.104	0	-35.104
Recognised in profit for the year, net	4.306	-8.772	580	6.939	-316	2.737
Deferred tax at 31 December 2014	19.657	6.383	-1.198	-44.112	-830	-20.100

22. Inventories

<i>In thousands of DKK</i>	2014	2013
Raw materials and consumables	22.154	22.599
Finished goods	7.695	7.967
	29.849	30.566

No impairment losses have been identified during the financial year.

23. Capital and reserves

Share capital

The share capital of the Company consists of 279.770 shares at nominal value of DKK 100 per share, The shares have not been divided into classes.

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

Dividend

Dividend payment in 2014 made by parent company to shareholders amounted to thousands DKK 850.000. Dividend payment made by subsidiaries to non-controlling interest amounted to thousands DKK 20.252.

24. Interest-bearing loans and borrowings

<i>In thousands of DKK</i>	Interest rate risk	Effective interest rate	Year of maturity	2014	2013
Short-term bank loan (Euro)	Floating rate	1-2%	Upon request	123.288	134
Short-term bank loan (CZK)	Floating rate	1-2%	Upon request	551.117	142.704
Short-term bank loan (DKK)	Floating rate	1-2%	Upon request	125.081	5.824
				799.486	148.662

For more information about The Group's exposure to liquidity, interest rate and foreign currency risk, see note 28.

Notes to the Consolidated Financial Statements

25. Provisions

<i>In thousands of DKK</i>	2014	2013
Non-current provisions		
Provisions for restoration and monitoring of landfills	408.526	329.836
Thereof: Due within one year	-15.827	-25.303
Total non-current provisions	392.699	304.533
Current provisions		
Current portion of the restoration and monitoring provisions	15.827	25.303
Total current provisions	15.827	25.303
	408.526	329.836

<i>In thousands of DKK</i>	2014
Carrying amount at the beginning of the year	329.836
Adjustment due to changes in estimate	56.326
Additional provisions made in the period, including increase	1.769
Additional provisions made in the period, including increase in the existing provisions	11.378
Amounts used during the period	-7.261
Increase during the period in the discounted amount arising from the passage of time and effect of any change in the discount rate	16.478
	408.526

The expected maturities and expected cash flows from provisions as at 31 December 2014 are as follows:

<i>In thousands of DKK</i>	Expected cash flow (including inflation)	Less: discounting of future interest	Reported amount
Within 1 year	16.852	0	16.852
Between 1 and 2 years	45.762	-82	45.680
Between 2 and 3 years	27.898	0	27.898
Between 3 and 4 years	27.161	-275	26.886
Between 4 and 5 years	24.851	-201	24.650
Between 5 and 10 years	163.808	-1.273	162.535
Over 10 years	126.053	-22.027	104.026
	432.384	-23.858	408.526

Notes to the Consolidated Financial Statements

The expected maturities and expected cash flows from provisions as at 31 December 2013 are as follows:

<i>In thousands of DKK</i>	Expected cash flow (including inflation)	Less: discounting of future interest	Reported amount
Within 1 year	25.303	0	25.303
Between 1 and 2 years	67.582	-1.265	66.317
Between 2 and 3 years	4.809	-226	4.583
Between 3 and 4 years	59.496	-4.640	54.856
Between 4 and 5 years	28.864	-3.339	25.525
Between 5 and 10 years	141.459	-31.968	109.491
Over 10 years	186.643	-142.882	43.761
	514.156	-184.320	329.836

26. Trade and other payables

<i>In thousands of DKK</i>	2014	2013
Trade payables	209.232	186.751
Labour related payables	83.503	79.007
VAT and other tax liabilities	16.068	21.811
Other payables	19.959	20.446
	328.762	308.015

The breakdown of trade and other payables is as follows:

<i>In thousands of DKK</i>	2014	2013
Payables within due date	302.986	275.070
Payables after due date	25.776	32.945
	328.762	308.015

Notes to the Consolidated Financial Statements

27. Financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of The Group's business.

Financial instrument categories

<i>In thousands of DKK</i>	2014	2013
	Carrying amount	Carrying amount
Financial assets used as hedging instruments	0	0
Securities	222	1.082
Trade and other receivables	423.604	389.416
Cash and cash equivalents	327.215	275.369
Loans and other receivables	751.041	665.867
Financial liabilities used as hedging instruments	0	0
Credit institutions	799.486	148.662
Trade and other payables	328.762	308.015
Financial liabilities measured at amortised cost	1.128.248	456.677

The fair value is in all cases equal to the carrying amount

Impairment losses

Impairment losses are described in note 19.

Liquidity risk

The Group expects to prolong the credit facilities of the interest-bearing loans and borrowings into future periods.

The contractual maturities of substantially all current financial assets and liabilities are within 4 months.

Financial assets and liabilities

<i>In thousands of DKK</i>	2014	2013
Within 1 year	2	0
Between 1 and 2 years	1.445	1.257
Between 2 and 3 years	822	963
Between 3 and 4 years	705	797
Between 4 and 5 years	646	691
Between 5 and 10 years	1.334	1.966
Over 10 years	307	258
Less: discounting of interest	-208	-267
	5.053	5.664
Thereof presented under:		
Current receivables	0	0
Non-current receivables	5.053	5.664

Notes to the Consolidated Financial Statements

The contractual cash flows from financial assets and financial liabilities do not significantly differ from their carrying values. It is not expected that the cash flows from these financial assets and liabilities could occur significantly earlier, or for significantly different amounts.

28. Capital commitments and contingencies

Mortgage and securities

To provide security for The Groups drawing facilities in banks etc., including performance guarantees and other guarantees given by the bank, are placed on deposit on the following items.

<i>In thousands of DKK</i>	2014	2013
Mortgage debt registered to the mortgage on properties nom	0	16.250
Mortgage deed, not pledged as security	16.250	0
Carrying amount of mortgage properties	41.542	41.542

Contingent Liabilities

<i>In thousands of DKK</i>	2014	2013
Obligations according to rent and operating lease contracts	16.026	12.256
Recourse obligations concerning contract guarantees etc.	59.215	60.242

The expected maturities of obligations according to rent and operating lease contracts

<i>In thousands of DKK</i>	2014	2013
Within 1 year	8.710	7.001
Between 1 and 5 years	5.407	4.679
Over 5 years	1.909	576
	16.026	12.256

Joint taxation

Marius Pedersen Holding A/S and its Danish subsidiaries are jointly taxed. The Company thus has secondary liability with respect to income taxes etc. and any obligation to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the Company held directly or indirectly by the ultimate parent.

29. Related parties

Companies with a controlling interest in Marius Pedersen Holding A/S consist of MPWM 2014 A/S, immediate owner, and Entreprenør Marius Pedersens Fond, which is the ultimate owner.

Sales of goods to related parties were made at standard prices. Purchases of goods were also made at market prices less discount offered on the basis of volumes purchased.

No security or guarantee has been provided in respect of any balances at the balance sheet date. Receivables are settled in cash. No losses have been incurred, and no provisions for probable losses have been made in respect of receivables from related parties.

Notes to the Consolidated Financial Statements

The following transactions have been recognised in the statement of comprehensive income and the balance sheet.

<i>In thousands of DKK</i>	2014	2013
<i>Companies with a controlling interest</i>		
Interests	34	0
Dividend	850.000	0
<i>Associates</i>		
Revenue	75	75

Associates consist of A/S MP – 4S, Jordrens.

Subsidiaries consist of companies in which Marius Pedersen Holding A/S has a controlling interest; see section "Consolidated subsidiaries, associates and joint ventures". Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The remuneration paid to members of the Executive Board and the Board of Directors is disclosed in note 8 and is not included in the amounts stated above.

30. Fee to shareholder, appointed auditor

<i>In thousands of DKK</i>	2014	2013
Fee to Deloitte		
Statutory audit	378	413
Tax and VAT-related services	24	25
Other services	373	111
	775	549

31. Acquisition of subsidiary

Podnik sluzeb Jirkov s.r.o.

On 1 April 2014 the Group acquired a 100% of the shares and voting rights in company Podnik sluzeb Jirkov s.r.o., Czech Republic. Impact of the acquisition of Podnik sluzeb Jirkov on financial results of the Group during 2014 is not material. In the nine months to 31 December 2014 Podnik sluzeb Jirkov contributed revenue T.DKK 129 and loss after tax of T.DKK 23

Goodwill arising from the acquisition has been recognised as follows:

<i>In thousands of DKK</i>	2014
Consideration transferred	456
Fair value of identifiable net assets	-21
Goodwill	434

The consideration transferred consisted of cash payment of T.DKK 456.

Notes to the Consolidated Financial Statements

PETMAS spol. s.r.o

On 12 September 2014 the Group acquired a 100% of the shares and voting rights in company PETMAS spol. s.r.o., Slovakia. Impact of the acquisition of PETMAS on financial results of the Group during 2014 is not material. In the three months to 31 December 2014 PETMAS contributed revenue T.DKK 2.266 and loss after tax of T.DKK 201

Goodwill arising from the acquisition has been recognised as follows:

<i>In thousands of DKK</i>	2014
Consideration transferred	15.490
Fair value of identifiable net assets	-7.916
Goodwill	7.574

The consideration transferred consisted of cash payment of T.DKK 9.318; the residual balance of T.DKK 6.172 has been settled against mutual receivables and payables.

Consolidated Subsidiaries, Associates and Joint Ventures

Subsidiaries:

Name	Effective ownership %		Voting rights %		Principal activity
	2014	2013	2014	2013	
Bohemian Waste Management a.s.	60,0	60,0	60,0	60,0	Landfill
BORINA EKOS s.r.o.	88,0	88,0	88,0	88,0	Landfill
Bzenex BMP, s.r.o.	70,0	70,0	70,0	70,0	Landfill
DESTRA Co., spol. s r.o.	70,0	70,0	70,0	70,0	Hazardous waste
EKO - Chlebičov a.s.	77,2	77,2	77,2	77,2	Hazardous waste landfill
EKO servis Varnsdorf a.s.	55,0	55,0	55,0	55,0	Municipal waste collection
EKOLA České Libchavy s.r.o.	74,1	74,1	74,1	74,1	Municipal waste collection and landfill
ELIO Slezsko a.s.	55,0	55,0	55,0	55,0	Landfill
HRATES, a.s.	66,0	66,0	66,0	66,0	Municipal services
Hradecké služby a.s.	60,0	60,0	60,0	60,0	Municipal waste collection
Ipodec Ciste Mesto a.s.	57,0	57,0	57,0	57,0	Municipal services and waste collection
Kopaničiariska odpadová spoločnosť, s.r.o.	83,0	83,0	83,0	83,0	Landfill
Krušnohorské služby a.s.	51,0	51,0	51,0	51,0	Municipal services and waste collection
Marius Pedersen A/S, Ferritslev Fyn	100,0	100,0	100,0	100,0	Municipal services, waste collection, sorting
Marius Pedersen a.s.Hradec Kralove	100,0	100,0	100,0	100,0	Municipal services, waste collection, landfill
Marius Pedersen a.s., Trenčín	100,0	100,0	100,0	100,0	Municipal services, waste collection, landfill
Moravska skladkova spolecnost a.s.	60,0	60,0	60,0	60,0	Landfill
Nykos a.s.	85,7	85,7	85,7	85,7	Municipal waste collection
Obaly CZ a.s.	100,0	100,0	100,0	100,0	Recycling
Odense Affaldssortering A/S	50,2	50,2	50,2	50,2	Sorting
Odpady-Třídění-Recyklace a.s.	60,0	60,0	60,0	60,0	Municipal waste collection
Papkov s.r.o.	80,0	80,0	80,0	80,0	Recycling
PETMAS spol. S.r.o.	100,0	0,0	100,0	0,0	Waste collection
Podnik sluzeb Jirkov s.r.o	51,0	0,0	51,0	0,0	Municipal services and waste collection
Remit s.r.o.	100,0	100,0	100,0	100,0	Municipal services and waste collection
Růžov a.s.	52,0	52,0	52,0	52,0	Landfill
RWC s.r.o.	70,0	70,0	70,0	70,0	Hazardous waste
Severočeské komunální služby s.r.o.	65,0	65,0	65,0	65,0	Municipal services and waste collection
Skládka Tušimice a.s.	98,0	98,0	98,0	98,0	Landfill
SOMA Markvartovice a.s.	58,0	58,0	58,0	58,0	Landfill
SOP a.s.	60,0	60,0	60,0	60,0	Municipal waste collection
Společnost Horní Labe a.s.	60,0	60,0	60,0	60,0	Landfill
Spoločnosť Pohronie a.s.	60,0	60,0	60,0	60,0	Landfill
Spoločnosť Šariš, a.s.	88,0	88,0	88,0	88,0	Landfill
Spoločnosť Stredné Považie a.s.	70,0	70,0	70,0	70,0	Landfill
Tatranská odpadová spoločnosť, a.s.	64,0	64,0	51,0	51,0	Landfill
Technické služby Děčín	96,9	96,9	96,9	96,9	Municipal services, waste collection ,landfill
Tekovská ekologická, s.r.o.	86,0	86,0	86,0	86,0	Landfill
TRANSPORT Trutnov s. r. o.	60,0	60,0	60,0	60,0	Municipal waste collection
TS Valašské Meziříčí s.r.o.	74,9	74,9	74,9	74,9	Municipal services and waste collection
Západočeské komunální služby a.s.	98,0	98,0	98,0	98,0	Municipal services and waste collection

Consolidated Subsidiaries, Associates and Joint Ventures

Associates:

Name	Effective ownership %		Voting rights %		Principal activity
	2014	2013	2014	2013	
A/S MP-4S Jordrens, Spøttrup	50,0	50,0	50,0	50,0	Recycling
Miljøservice Slamhotel I/S, Vejen	33,3	33,3	33,3	33,3	Recycling

Joint ventures:

Name	Effective ownership %		Voting rights %		Principal activity
	2014	2013	2014	2013	
ICEKO-ONYX, s.r.o.	50,0	50,0	50,0	50,0	Collection and transport of waste
KOMPLEX-odpadová spoločnosť, s.r.o.	60,0	60,0	49,0	49,0	Landfill





Annual Report 2014

Central Business Registration No. 25 11 67 63

Marius Pedersen Holding A/S

Management's commentary

Primary activities

The Company is holding company of Marius Pedersen A/S, Denmark

Development in activities

Net income for the year after tax is DKK 145,8 million, which is an increase of DKK 5,7 million compared to 2013.

Profit for the Company does come up to expectations and is considered satisfactory.

Events after the balance sheet date

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

Outlook

The Company expects a continuing positive development in the activities and result.

Accounting Policies

The annual report for Marius Pedersen Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act.

The annual report was prepared according to the accounting policies applied the year before.

1. Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Group, and the value of the liabilities 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 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. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

2. 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. Fixed assets purchased in foreign currencies are translated using historical rates.

3. Profit and loss account

Revenue

Revenue from the sale of services, 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.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of The Group, including expenses for the administrative staff and the Management, stationary and office supplies as well as depreciation and amortisation.

Financial income and expenses

These items comprise interest income and interest expenses as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

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/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The 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.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry forward, 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.

The Company is jointly taxed with enterprises within The Group. 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).

4. Balance sheet

Goodwill on consolidation

Goodwill on consolidation is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by the Management for each business area. The period of amortisation is usually 3 to 10 years, but 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of The Group's benefit from the relevant resources.

The carrying amount of goodwill on consolidation is assessed recurrently and written down to recoverable amount, if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill on consolidation is related.

Plant and equipment

Other tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting Policies

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 tools and equipment: 5 to 8 years.

Depreciation is recognised in the income statement under administrative expenses, respectively.

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

Profits and losses from the sale of property, plant and 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 operating income or expenses, respectively.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised goodwill or badwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Company's share of the enterprises' profits or losses after tax and elimination of unrealised intra-group profits and losses and minus or plus amortisation of goodwill or badwill on consolidation is recognised in the income statement.

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

Net revaluation of investments in subsidiaries and associates is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less provisions for bad debts.

Dividend

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Statement of income

<i>In thousands of DKK</i>	Note	2014	2013
Administrative expenses	1, 2	-5.700	-6.917
Other operating income	3	233	0
Profit from primary operation		-5.467	-6.917
Profit on ordinary activities in group enterprises	4	150.134	145.757
Financial expenses	5	-219	-303
Profit before taxation		144.448	138.537
Taxation on profit for the year	6	1.368	1.550
Profit for the year		145.816	140.087

Proposed distribution of profit / loss			
Dividends for the financial year		0	
Extraordinary dividend during the financial year		-850.000	
Transferred from reserves		850.000	
Transfer to reserve for net revaluation under the equity method		150.134	
Retained earnings		-4.318	
		145.816	

Balance Sheet at 31.12.2014

<i>In thousands of DKK</i>	Note	2014	2013
Assets			
Other plants etc.	7	0	127
Property, plant and equipment		0	127
Participating interest in group enterprises	8	1.038.106	1.744.730
Fixed asset investments:		1.038.106	1.744.730
Fixed assets		1.038.106	1.744.857
Deferred tax	9	0	0
Cash		715	0
Tax receivable		18.023	16.655
Other receivables		15	5
Current assets		18.753	16.660
Total assets		1.056.859	1.761.517
Equity			
Share capital	10	27.977	27.977
Reserve for net revaluation according to the equity method		143.376	789.632
Retained earnings		866.585	931.271
Proposed dividends for the financial year		0	0
Total equity		1.037.938	1.748.880
Liabilities			
Other credit institutions		0	45
Accounts owed to group enterprises		18.003	11.795
Other payables		918	797
Short-term liabilities other than provisions		18.921	12.637
Total liabilities		1.056.859	1.761.517
Securities and contingent liabilities etc.	11		
Ownership	12		

Statement of change in equity

	Share capital	Reserve for net revaluation	Retained earnings	Proposed dividends for financial year	Total
<i>In thousands of DKK</i>					
Balance at 1 January 2013	27.977	892.230	744.941	142.000	1.807.148
Dividends paid	0	-192.000	192.000	-142.000	-142.000
Net profit / loss for the year 2013	0	145.757	-5.670	0	140.087
Exchange rate adjustments	0	-56.909	0	0	-56.909
Other adjustments in capital	0	554	0	0	554
Balance at 31 December 2013	27.977	789.632	931.271	0	1.748.880
Balance at 1 January 2014	27.977	789.632	931.271	0	1.748.880
Dividends paid	0	-789.632	789.632	0	0
Extraordinary dividend during the year	0	0	-850.000	0	-850.000
Net profit / loss for the year 2014	0	150.134	-4.318	0	145.816
Exchange rate adjustments	0	-6.758	0	0	-6.758
Balance at 31 December 2014	27.977	143.376	866.585	0	1.037.938



Notes

1. Depreciation

<i>In thousands of DKK</i>	2014	2013
Depreciation of the year is included in the below mentioned entry		
Administrative costs	27	210
	27	210

2. Staff Costs

<i>In thousands of DKK</i>	2014	2013
Attributable to:		
Board of Directors and management		
Board remuneration and salary for management	4.025	4.253
	4.025	4.253

3. Other operating income

<i>In thousands of DKK</i>	2014	2013
Gains from disposal of tangible assets	233	0
	233	0

4. Profit on ordinary activities in group enterprises

<i>In thousands of DKK</i>	2014	2013
Group enterprises operating profit	173.394	169.017
Depreciation, consolidated goodwill	-23.260	-23.260
	150.134	145.757

5. Financial expenses

<i>In thousands of DKK</i>	2014	2013
Interest expense from group enterprises	217	299
Other interest expenses	2	4
	219	303

6. Tax on profit / Loss for the year

<i>In thousands of DKK</i>	2014	2013
Current tax	-1.368	-1.655
Change of deferred tax	0	105
	-1.368	-1.550

Notes

7. Property, plant and equipment

<i>In thousands of DKK</i>	Other plants etc.
Balance at 1 January 2014	628
Additions during the year	0
Disposals during the year	-628
Balance at 31 December 2014	0
Depreciation at 1 January 2014	501
Depreciation as to the year's disposal	-528
Depreciation for the year	27
Depreciation at 31 December 2014	0
Book value at 31 December 2014	0

8. Investments in group enterprises

<i>In thousands of DKK</i>	2014	2013
Cost at 1 January	955.098	955.098
Addition	0	0
Cost price at 31 December	955.098	955.098
Net revaluation at 1 January	789.632	892.230
Adjustment at the beginning of the year	0	-28
Exchange adjustments	-6.758	-56.909
Changes in capital	0	582
Amortisation, consolidated goodwill	-23.260	-23.260
Profit / loss for the year	173.394	169.017
Dividends paid	-850.000	-192.000
Net revaluation at 31 December	83.008	789.632
Carrying amount at 31 December	1.038.106	1.744.730

Consolidated goodwill of TDKK 122.795 is included in book value.

Investments in group enterprises comprise:
Marius Pedersen A/S, Faaborg-Midtfyn, 100%

9. Provisions for deferred tax

<i>In thousands of DKK</i>	2014	2013
Balance at 1 January	0	-3.501
Refund concerning joined taxation	0	3.396
Adjustment for the year	0	105
Balance at 31 December	0	0
Net value is recognised as follows in the balance sheet:		
Deferred tax assets	0	0
	0	0

Notes



10. Share capital

The share capital consists of 279.770 shares at DKK 100. The shares have not been divided into classes.

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

11. Securities and contingent liabilities etc.

Guarantee commitments

The Company guarantees as follows:

In thousands of DKK	2014	2013
Group enterprises' outstanding accounts with banks	0	29.841

Contingent liabilities

Joint taxation

Marius Pedersen Holding A/S and its Danish subsidiaries are jointly taxed in MP Ejendomsaktieselskab. The Company thus has secondary liability with respect to income taxes etc. and any obligation to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the Company held directly or indirectly by the ultimate parent.

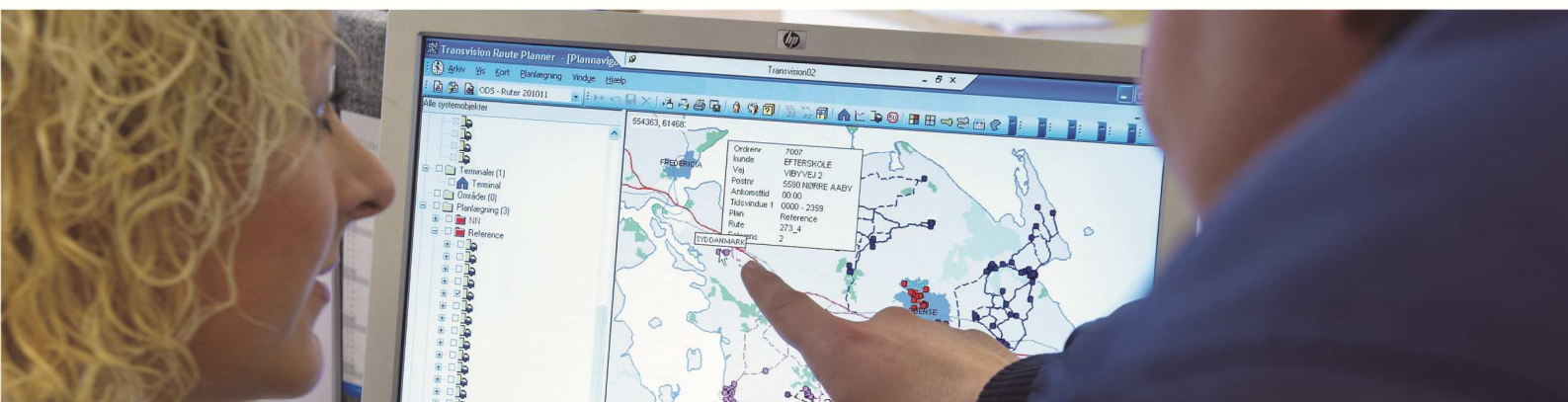
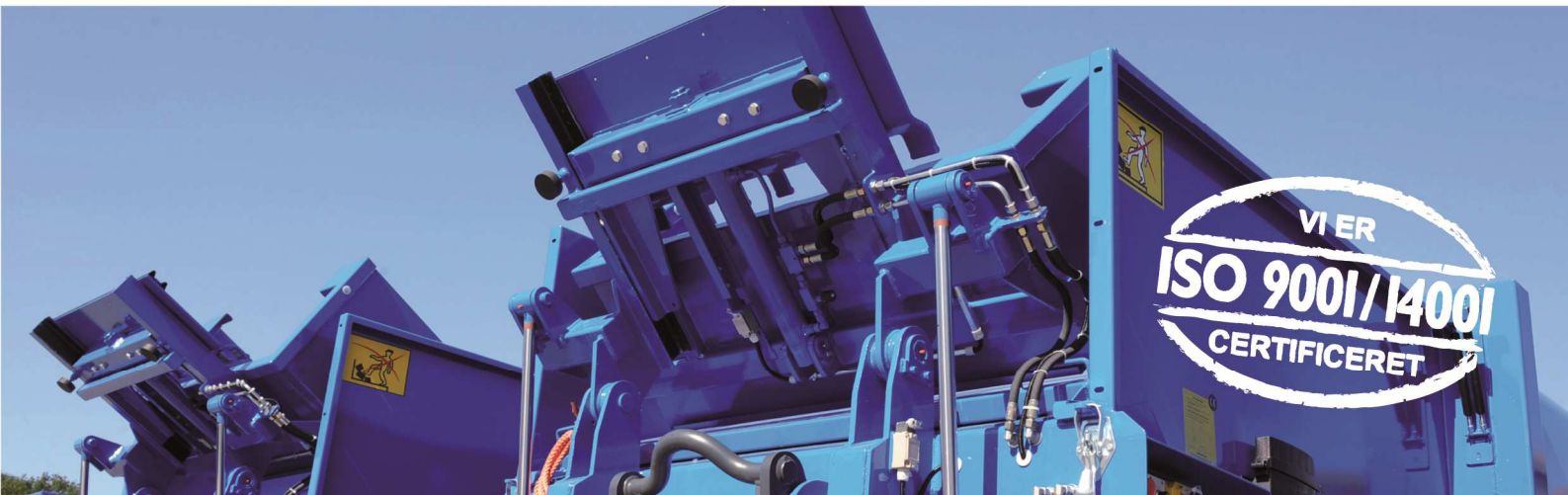
12. Ownership

The following shareholders hold more than 5% of the Company's share capital:

MPWM 2014 A/S, Faaborg-Midtfyn

Ultimate shareholder: Entreprenør Marius Pedersens Fond, Faaborg-Midtfyn





Marius Pedersen 
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