ERHVERVSSTYRELSEN
23 JUNI 2015
Ekspeditionen

Fragrance Resources ApS

Engholmvej 10, 6621 Gesten

CVR No. 25 60 04 95

Annual report
for the year ended 31 December 2014

Approved at the annual general meeting of shareholders on 25 March 2015

As chairman:

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Contents

Management's review	1
Company details	1
Management's review	1
Statement by management on the annual report	2
Independent auditor's reports	3
Financial statements	
Income statement	4
Balance sheet	5
Statement of changes in equity	7
Notes	
Accounting policies	8
Financial income	9
Financial expenses	9
Investments	10
Share capital	10
Long-term liabilities	10
Security for loans	10

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Company details

Name	Fragrance Resources ApS
Address, Postal code, City	Engholmvej 10, 6621 Gesten
CVR No.	25 60 04 95
Established	1 September 2000
Registered office	København
Financial year	1 January - 31 December
Home Page	www.FragranceResources.com
Tel.	+45 44 99 35 05
Telefax	+45 44 99 35 04
Board of Directors	Friedrich-Wilhelm Gerberding, chairman Werner Siemens Christoph X. Gerberding
Executive board	Niels Christian Jensen
Auditors	Ernst & Young, Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

Management's review

The company's business review

The principal activities of the company comprise business activities within the perfume and cosmetics industry, either directly or indirectly through established subsidiaries.

Financial review

In 2014, the company's revenue came in at EUR 152,358 against EUR 144,036 last year. The income statement for 2014 shows a loss of EUR 50,685 against a profit of EUR 405,367 last year, and the balance sheet at 31 December 2014 shows equity of EUR 10,483,881. Management considers the company's financial performance in the year in line with expectations.

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Statement by management on the annual report

The Board of Directors and the Executive Board have today discussed and approved the annual report of Fragrance Resources ApS for the financial year 1 January - 31 December 2014.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2014 and of the results of the Company's operations for the financial year 1 January - 31 December 2014.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 25 March 2015

Executive board:

Niels Christian Jensen

Board of Directors:

Friedrich-Wilhelm Gerberding chairman	Werner Siemens	Christoph X. Gerberding

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Independent auditor's reports

To the shareholders of Fragrance Resources ApS

Report on financial statements

We have audited the financial statements of Fragrance Resources ApS for the financial year 1 January - 31 December 2014, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Auditor's responsibility
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with international standards on auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 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's review

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

Copenhagen, 25 March 2015
ERNST & YOUNG
Godkendt Revisionspartnerselskab

Jesper Jørn Pedersen
state authorised public accountant

Kim Thomsen
state authorised public accountant

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Income statement for the year ended 31 December

Notes		2014 EUR	2013 EUR
	Revenue	152,358	144,036
	Cost of sales	-147,676	-135,683
	Other external expenses	-38,790	-41,813
	Gross margin	**-34,108**	**-33,460**
	Staff costs	-14,672	-14,488
	Operating profit/loss	**-48,780**	**-47,948**
	Income from investments in group entities	0	455,255
2	Financial income	437	942
3	Financial expenses	-2,342	-2,882
	Pre-tax profit/loss	**-50,685**	**405,367**
	Tax for the year	0	0
	Profit/loss for the year	**-50,685**	**405,367**
	Recommended appropriation of the profit/loss for the year		
	Extraordinary dividend distributed in the year	0	290,000
	Retained earnings/accumulated loss	-50,685	115,367
		-50,685	**405,367**

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Balance sheet at 31 December

Notes		2014 EUR	2013 EUR
	Assets		
	Fixed assets		
4	Investments in group entities at cost	10,550,000	10,550,000
	Investments	10,550,000	10,550,000
	Total fixed assets	10,550,000	10,550,000
	Current assets		
	Trade receivables	25,033	1,750
	Receivables	25,033	1,750
	Cash	17,723	80,090
	Total current assets	42,756	81,840
	Total assets	10,592,756	10,631,840

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Balance sheet at 31 December

Notes		2014 EUR	2013 EUR
	Equity and liabilities		
	Equity		
5	Share capital	10,550,000	10,550,000
	Accumulated loss	-66,119	-15,434
	Total equity	**10,483,881**	**10,534,566**
	Liabilities		
	Payables to group entities	70,000	70,000
6	**Long-term liabilities**	**70,000**	**70,000**
	Trade payables	16,215	16,963
	Payables to group entities	13,305	707
	Other payables	9,355	9,604
	Short-term liabilities	**38,875**	**27,274**
	Total liabilities	**108,875**	**97,274**
	Total equity and liabilities	**10.592.756**	**10.631.840**

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Statement of changes in equity

(EUR)	Share capital	Retained earnings/accumulated loss	Total
Equity at 1/1 2014	10,550,000	-15,434	10,534,566
Loss for the year, cf. appropriation of loss		-50,685	-50,685
Equity at 31/12 2014	**10.550.000**	**-66.119**	**10.483.881**

1. Accounting policies

The annual report of Fragrance Resources ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Consolidated financial statements

In accordance with section 112(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The financial statements for Fragrance Resources ApS and the affiliated subsidiary are included in the consolidated financial statements of Fragrance Resources Investments S.à r.l.

The consolidated financial statements of Fragrance Resources Investments S.à r.l. can be obtained from the company.

Reporting currency

The financial statements are presented in EUR, as the entity's most significant transactions are settled in EUR.

Currency translation

Transactions denominated in foreign currencies are translated into EUR at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into EUR at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of goods sold comprises costs incurred to generate revenue for the year.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Income from investments in group entities and associates

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary or in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

1. Accounting policies - continued

Balance sheet

Investments in group entities

Investments in subsidiaries are measured at cost. Dividends received which exceed the accumulated earnings in the subsidiary in the period of ownership are treated as a cost reduction.

Impairment of investments

Every year, investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost. Write-down is made for anticipated losses to net realisable value.

Equity

Proposed dividend

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Income tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Other payables

Other payables are measured at net realisable value.

	2014 EUR	2013 EUR
2. Financial income		
Exchange gain	437	942
	437	**942**
3. Financial expenses		
Interest expenses, group entities	1,401	1,768
Other financial expenses	941	1,114
	2,342	**2,882**

4. Investments

(EUR)	Group entities in total
Cost	
Balance at 1/1 2014	10,550,000
Cost at 31/12 2014	10,550,000
Carrying amount at 31/12 2014	10,550,000

	Domicile	Interest (%)	Equity EUR	Profit/loss EUR
Subsidiaries				
Horst Gerberding Holding S.A.	Switzerland	93.33	10,895,682	-2,031,547

Results for the year and equity for Horst Gerberding Holding S.A. stated above are based on the figures included in the consolidated financial statements of Fragrance Resources Investments S.à.r.l., which presents its financial statements in accordance with IFRS.

The information may therefore deviate materially from the locally published financial statements, which are presented in accordance with local accounting standards.

5. Share capital

The company's share capital has remained EUR 10,550,000 over the past 5 years.

6. Long-term liabilities

The company has received a loan from the parent company which is granted until 31 December 2019.

7. Security for loans

In its capacity as parent company, Fragrance Resources Investments S.à.r.l. will provide financial and other support, as necessary, to the company continuing at least until 31 December 2015 in order to enable the Company to continue to trade and to meet its liabilities without limitation.