

# Consolidated annual report 2014/2015

**ege<sup>®</sup>**

---

## **egetæpper a/s**

Industrivej Nord 25, 7400 Herning  
Telefon: +45 97 11 88 11  
Telefax: +45 97 11 95 80  
www.egecarpets.com  
e-mail: ege@ege.dk

### **Registration No.**

CVR-nr.: 38 45 42 18

### **Board of Directors**

Ebbe Malte Iversen, director (chairman)  
Hans Olesen Damgaard, director (deputy chairman)  
Knud Damgaard, lawyer  
Anne Mette Zachariassen, self-employed consultant  
Niels Clausen, textile worker (staff representative)  
Maja Lorenzen, office clerk (staff representative)

### **Management**

Svend Aage Færch Nielsen, CEO  
John Vestergaard, CFO

### **Auditors**

ERNST & YOUNG  
Orla Bek, State authorized public accountant  
Morten Friis, State authorized public accountant

### **Solicitors**

DAHL, Herning

### **Bankers**

Danske Bank  
Handelsbanken

### **Disclaimer**

In order to make this report more manageable and user-friendly, egetæpper a/s has decided to publish a consolidated annual report that does not include the financial statements for the parent company. In accordance with section 149 of the Danish Financial Statements Act, this consolidated annual report is an extract of the Company's complete annual report. The full report, including the annual report for the parent company, is available in Danish at [http://catalogs.egecarpet.com/aarsrapport\\_2014\\_2015\\_DK/](http://catalogs.egecarpet.com/aarsrapport_2014_2015_DK/)

The Consolidated Annual Report is published in English.

Only the original Danish text is legally binding. The translation has been prepared solely for practical reasons.

---

## Contents

Financial highlights for the ege group .....	2
Disclaimer .....	3
Management statement .....	3
Management report .....	4
Report of Corporate Social Responsibility .....	8
Income statement 1 May - 30 April – Group .....	10
Comprehensive income statement 1 May - 30 April – Group .....	13
Balance sheet at 30 April – Group .....	14
Cash flow statement for the financial year 1 May - 30 April – Group .....	16
Statement of changes in equity – Group .....	18
Notes without reference – Group .....	20

### Contacts

Mr. Svend Aage Færch Nielsen, CEO  
Tel: +45 97118811

Mr. John Vestergaard, CFO  
Tel: +45 97118811

egetæpper a/s

Herning, 25 June 2015

---

## Financial highlights for the group

DKK million	2014/15	2013/14	2012/13	2011/12	2010/11
Turnover	873	784	782	753	738
Result before financial items and taxation (EBIT)	67	70	55	64	58
Financial entries (net)	-12	-8	-7	-9	-11
Result before taxation	55	62	48	55	47
Profit for the year	43	48	34	37	32
Minority shareholders' part	1	1	1	1	2
<b>Group net result</b>	<b>42</b>	<b>47</b>	<b>33</b>	<b>36</b>	<b>30</b>
Total assets at end of period	750	588	568	564	525
Net working capital	226	184	171	200	162
Cash flow from operating activities	75	61	75	44	64
Share capital	26	26	26	28	28
Capital and reserves at year end excl. of minority holdings	434	409	377	351	323
Number of employees	564	480	471	494	461
Investments in long-term assets	64	34	41	29	22
Depreciations	30	28	28	28	30
Net profit ratio (EBIT-margin)	8	9	7	8	8
Return on invested capital after taxation (p.a.)	10	12	9	11	10
Equity ratio	58	70	66	62	62
Net working capital in percentage of turnover*	25	23	22	27	22

The key figures have been calculated according to the Danish Society of Financial Analysts' "Recommendations and Key figures 2015".

\* The calculation has been adjusted to take into account that Hammer Tæpper A/S only is included with 7 months of revenue.

## Disclaimer

In order to make this report more manageable and user-friendly, egetæpper a/s has decided to publish a consolidated annual report that does not include the financial statements for the parent company. In accordance with section 149 of the Danish Financial Statements Act, this consolidated annual report is an extract of the Company's complete annual report. The full report, including the annual report for the parent company, is available in Danish at [http://catalogs.egecarpet.com/aarsrapport\\_2014\\_2015\\_DK/](http://catalogs.egecarpet.com/aarsrapport_2014_2015_DK/)

The Consolidated Annual Report is published in English.

Only the original Danish text is legally binding. The translation has been prepared solely for practical reasons.

## Management statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of egetæpper a/s for the financial year 1 May – 30 April 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards as approved by EU as well as the Danish Financial Statement Act.

It is our opinion that the financial statement give a true and fair view of the Group and the Company's assets, liabilities and financial position at 30 April 2015 and of the result of the Group and

the Company's operations and cash flows for the financial year 1 May 2014 – 30 April 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group and Company's operations and financial matters, results of the year, cash flows and financial position as well as a description of the major risks and uncertainties that the Group and the Company are facing.

We recommend that the annual report be approved at the annual general meeting.

Herning, 25 June 2015

### Management:



John Vestergaard  
CFO



Svend Aage Færch Nielsen  
CEO


### Board of directors:



Ebbe Malte Iversen  
Chairman



Hans Damgaard  
Deputy chairman



Knud Damgaard



Anne Mette Zachariassen



Niels Clausen  
Staff representative



Maja Lorenzen  
Staff representative

# Management report

## Accounting policies

The annual report for egetæpper a/s is prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by EU and additional Danish information regulations on financial reporting for listed companies.

In addition, the annual report meets the International Financial Reporting Standards (IFRS) issued by IASB.

Except from below comments, the used accounting policies are unchanged compared to last year.

As per 1 May 2014 egetæpper has implemented IFRS 10-12 with associated amendments IAS 27 (2011), IAS 28 (2011) as well as amendments to IAS 32, IAS 39 and IFRIC 21. The implementations have had no effect on factoring and measurement.

The annual report is prepared in Danish Kroner.

## Accounting report

### Group

#### Turnover

The group turnover amounts to 873 DKK million against 784 DKK million last year, representing an increase of 11%. Adjusted for the inclusion of Hammer Tæpper, turnover increased by 1%.

#### Other operating income

Other operating income amounts to 2.1 DKK million against 5.4 DKK million last year.

#### Costs

Other external costs amount to 158 DKK million representing an increase of 13.9 DKK million against last year. Staff charges amount to 243 DKK million against 211 DKK million last year. In all, the increase in costs amount to 13.1%. Adjusted for the inclusion of Hammer Tæpper the increase makes up 4.8%.

Depreciations amount to 29.8 DKK million against 28.4 DKK million last year.

#### Financial entries

Financial entries amount to -12.3 DKK million against -7.7 DKK million last year. The increase is due to increased value adjustment of forward options to buy minority shareholding (inclusion of Hammer Tæpper).

#### Profit for the year

Accordingly the result before taxation amounts to 55.1 DKK million against 62.1 DKK million last year – a decrease of 7.0 DKK million corresponding to approx 11%.

After taxation of the year result (11.9 DKK million against 14.1 DKK million last year) the net group result amounts to 43.3 DKK million against 48.0 DKK million last year.

## Equity

The equity of the group exclusive of minority holdings amount to 434 DKK million against 409 DKK million last year. The debt-equity ratio is 58% against 70% last year. The inclusion of Hammer Tæpper is the reason for the decline in the debt-equity ratio.

## Interest-bearing net assets

Interest-bearing net assets amount to 58.0 DKK million. The high level of investment during the year is financed through cash flows from operating activity and an increase in bank loans.

## Cash flow statement

Cash flows from operations amount to 75 DKK million against 61 DKK million last year.

Cash flows for investments amount to -110 DKK million against -34 DKK million last year.

Cash flows from financing amount to +29 DKK million against -22 DKK million last year. Dividend paid this accounting year amounts to 18 DKK million.

Changes in cash equivalents amount to -5 DKK million. At the end of the year cash equivalents make out 16 DKK million.

## Investments

The net investments in long-term assets during the year amount to 110 DKK million, of which the acquisition of Hammer Tæpper represents 51 DKK million. Prepayments regarding investments for the coming year are included with 6 DKK million.

## Subsequent events

### Sale of business property in Vejle

The sale of egetæpper's business property located Wittrupvej 1, 7121 Vejle, is now complete.

As mentioned in the interim report of Q1 2014/15 and the stock exchange announcement of 21 May 2015, the sale of the property was subject to the adoption of a new local plan for the area. The local plan is now adopted and the appeal period of 4 weeks has expired. As expected there have been no objections to the amendment of the local plan and the sale is thus a reality.

The sale will impact the result of egetæpper with approximately DKK 20 million before tax and equity positively with DKK 18 million. The profit from the sale will be included as part of our overall financial result of 2015/16.

The profit is included in the accounts for Q1 2015/16.

## Prospects

We determinedly work with egetæpper's general strategy "Sustainable Carpet Design 2020" and on this basis we have set up the following expectations to the markets:

- The level of activity on the Danish market, being our biggest market, has not fulfilled our expectations during the financial

year 2015/16 and has not been in line with last year. We do not expect the market situation to change significantly during the coming year.

- Among the major export markets we especially expect growth in England, France and Germany. During the past year focus has been on enlarging and adapting both the organization and the product range. Furthermore it is our expectation that Norway, Sweden and The Middle East will continue to develop positively.
- Overall, the level of activity in Asia has not lived up to our expectations in the financial year 2014/15, especially the development in Q4 has not met the objectives. Construction of the distribution channels is in place, and we do not expect that the outcome of Q4 will be directional for the coming year, but that the region again will show a positive development.
- Establishment and setup in the US is also in place as well as the processing of the market has begun. Based on experience this will be a lengthy process. We expect that the US market will contribute positively to the overall activity, however, to a lesser extent during the start-up phase in the coming year.

In all our expectations to 2015/16 are:

- A turnover of 950-1,000 DKK million.
- An EBIT-margin of 8-9% excl. profit from the sale of our property in Vejle.
- A result before taxation of 80-90 DKK million of which approx. 20 DKK million relate to profit from the sale of our property in Vejle.
- Cash flow from operations of 80-90 DKK million.
- New investments in long-term assets of approx. 50 DKK million. Net investments will make up 30 DKK million after deduction of profit from the sale of our property in Vejle.

## egetæpper's long-term development

In connection with the interim report for the first quarter 2013/14 we published the long-term objectives for egetæpper's development "Sustainable Carpet Design 2020".

### Product development

Carpet tiles are an essential element in our strategy and decisive for us being able to achieve our long-term objectives. It comes to no surprise that carpet tiles have a strong presence in all parts of the group – not least when it comes to product development. During the past year we have extended our programme with yet another tile concept – Reform. Also we have developed and introduced a number of new tile qualities, not least within structure tufted qualities. These qualities have been well received in the market and have prompted a decision of investing in yet another Infinity tufting machine for delivery in the coming financial year.

The process of cutting tiles has been optimized among other things through investment in a laser cutter. This opens up for a number of possibilities for alternative tile shapes (planks, hexagons etc.).

We see the expected growth on the tile market – during the financial year 2014/15 of 17% - and make long-term plans in order to be able to meet with the increased demand. We have laid down an overall plan for investments within the tile segment until year 2020. Investment in increased capacity will be initiated concurrently with the increased demand.

Finally we have optimized terms of sale and delivery in order to be able to offer more rapid delivery and larger flexibility.

The high focus on tiles has not resulted in negligence of our other product programme. Our co-operation with internationally known designers continues and also here new collections have been developed.

### Expansion and branding

In order to increase the geographical market coverage we have as one of the latest initiatives established a company in the US –

	Long-term objective 2020	Expected 2015/16	Realized 2014/15	Realized 2013/14
Revenue growth annually	5-10%	9-14%	11%	0,3%
EBIT-margin	12%	8-9%	8%	9%
Net investments annually	40-50	approx. 30	110	34
Equity Ratio	+60%	60%	58%	70%
Net working capital in percentage of turnover	20%	22-23%	25%	23%
Cash flows from operations in percentage of turnover	10%	10-11%	9%	8%

ege americas inc. The company is to handle the sale of our products in the US, Canada as well as in Central and South America. We have stationed employees from our organisations in the Middle East and England as head of the company and processing of the market has begun. It is our experience that this process takes a while. We expect the US to contribute positively to our total activities even to a lesser extent during the coming year's start-up phase. In the long run we expect a significant growth compared to the total strategic objectives.

Our two largest segments remain unchanged Hospitality and Commercial. As a new constituent segment we have initiated the approach of Aviation (flights). We have developed the necessary qualities to be able to meet with the demands of the segment with regard to tests and approvals of the products. A dedicated sales organisation has been established which should be able to service the segment worldwide. Also here we are in the start-up phase and do not expect the segment to contribute significantly to the growth during the coming year. However, we have already now received positive feedback and are optimistic seen in a longer perspective.

The growth does not initiate by itself. Consequently we have also worked on extending the sales organisation. We still see a considerable growth potential within the EU and the effort has been concentrated on France, Germany and England. On the far off markets focus has been on the Middle East and Asia. The development in Asia was not as expected during the last financial year but prospectively we expect growth both in the Middle East and in Asia.

For a number of years we have worked with CSR and it has become an integrated part of our everyday life. We experience an increased interest and demand from customers and other interested parties. We are proud to be no. 1 on the list of CSR effort of the 100 biggest Danish companies listed on the stock. The evaluation has been made by Økonomisk Ugebrev for board of directors and was published in May, 2015.

As of 1 October we have purchased 51% of the shares in Hammer Tæpper A/S. Subsequently we have joined our approach to the maritime segment under the auspices of Hammer. Hammer already held a strong position within the segment but in the future we will stand even stronger because of a wider product range etc.

### **Efficiency and productivity**

Efficiency and productivity are always focus areas within our production process. During the financial year 2014/15 we have initiated a large upgrade project of our Millitron dye plant in the form of replacement of dye nozzles. The update has opened up for a number of new possibilities both with regard to production technique and with regard to designs and patterns. Finally the investment will result in considerable future savings on current maintenance.

We are currently working on upgrading and training our sales organisation on ege academy to achieve a higher efficiency and productivity. Also in the coming financial year budgets have been made with considerable resources for this activity. It is also important that the organization is in possession of the right and most efficient tools to solve a given assignment. An example of this is the CRM system which we have replaced and upgraded during the financial year 2014/15. This improvement will continue during the coming financial year.

Summed up we are of the opinion that during 2014/15 we have achieved a considerably fine progress in the continued development of the strategic competitiveness of the group – and consequently we are still fully confident that it will be possible to achieve the ambitious long-term objectives indicated in "Sustainable Carpet Design 2020".

The turnover during the financial year 2014/15 did not live up to our long-term objectives about organical growth. It was partially expected as our initiatives within product development, further extension of our sales force and markets as well as branding all are areas with a longer strategic sight and phase-in. During the coming financial year we expect a growth in turnover of 9-14% including impact from the takeover of Hammer Tæpper A/S.

During the last year the EBIT-margin has decreased from 9% to 8% which is in the low end of our expectations. The development is primarily due to lower activities as the fixed costs (other external costs, staff costs and depreciations) are all largely as expected. Production and market investments also have to be made in the future but as egetæpper has the basic capacity/structure already it is our expectation that the increase in turnover will permit a future EBIT of 12%.

The net investments of the year make out 110 DKK million of which the investment in Hammer Tæpper A/S makes out 51 DKK million. During the coming financial year investments will be made in yet another Infinity tufting machine as well as the continuation of the upgrading project on the Millitron dye plant. Furthermore investments will be made in optimization and expansion of the existing tile plant to further support the growth within this product segment.

The equity capital makes out 58% which largely lives up to our expectations. Even though the share of the equity capital does not fully meet with our long-term objectives we have chosen to maintain full dividend in accordance with our dividend policy.

The net working capital measured in comparison with the turnover is also influenced by the phase-in of the above strategy which manifests itself through increased inventory levels. After inclusion of Hammer Tæpper A/S the net working capital makes out 25% compared to the turnover which corresponds with our expectations to the year 2014/15. We still expect the objective



for the net working capital to be gradually achieved concurrently with the increased turnover.

The year's cash flow from operation compared to the turnover makes out 9%. Here we also expect a gradual achievement of the objective of 10% concurrently with the increased turnover.

### Decisions made by the board and proposals for the annual general meeting

Based on the group's dividend policy the board of directors recommends that dividend is fixed at 6.50 DKK per share nominal 10 DKK corresponding to a total dividend of 17.0 DKK million or approx 40% of the net result after taxation and dividend to minority shareholders.

The annual general meeting to be held on Friday 28 August 2015 at 11.30 a.m..

Proposals for the annual general meeting must be submitted in writing to the board of directors no later than 6 weeks before the annual general meeting, i.e. 17 July 2015.

### The printed annual report

The printed annual report is expected to be available mid August 2015 (week 33).

The printed annual report may be requested at the company office in Herning. The annual report will also be available on the company's website (egecarpets.com), as well as on the website of NASDAQ OMX Copenhagen.

## Information to shareholders

Share and dividend key figures	2014/15	2013/14	2012/13	2011/12	2010/11
Share capital, nominal t. DKK	26,210	26,210	26,210	27,668	27,668
Number of A-shares	330,340	330,340	330,340	330,340	330,340
Number of B-shares	2,290,720	2,290,720	2,290,720	2,436,490	2,436,490
Number of own B-shares	0	0	0	145,770	145,770
Number of B-shares in circulation	2,290,720	2,290,720	2,290,720	2,290,720	2,290,720
Earnings per diluted share, DKK	15.99	17.76	12.70	13.65	11.40
Earnings per share, DKK	15.99	17.76	12.70	13.65	11.40
Recommended dividend per share, DKK	6.50	7.00	5.08	3.00	3.00
Net asset value of share, DKK	165.45	156.03	143.81	134.03	123.19
Stock exchange price	225.00	194.50	150.00	117.00	105.00
Stock exchange price/net asset value	1.36	1.25	1.04	0.88	0.85
Dividend rate (calculated against market value)	2.9%	3.6%	3.4%	2.7%	2.9%

On an extraordinary general meeting held Monday 17 December 2012 it was decided to cancel stock of own shares and to split the capital into shares' denomination of DKK 10.00 instead of shares' denomination of DKK 100.00. Accordingly comparative figures have been adjusted.

## Report of Corporate Social Responsibility

In pursuance of ÅRL §99a egetæpper has to make a report of Corporate Social Responsibility including respect of human rights and the company's environmental impact.

At egetæpper we try to create a natural balance between economic goals and the consideration for people and environment to run a profitable business and also at the same time secure that our activities contribute to a sustainable development to the benefit of the society both globally and locally.

In 2013 we received the CSR certification DS 49001 in Herning, which forms the basis of our CSR efforts. We are proud to be the first manufacturer of carpets in the world, and so far the only one, with this certificate. Currently, we are developing and spreading the initiatives to include our other factories - and many more CSR projects have been launched. We continually strive to become the world's leading manufacturer of carpets, when it comes to Corporate Social Responsibility.

We work structuredly with seven areas of CSR: good governance, human rights, working conditions, environmental considerations, sound business practices, consumer interests, local community development and -involvement. Our CSR department is responsible for the development and implementation of daily tasks and our CSR steering group follows up on action plans, ensures progress in decisions and makes decisions on challenges within the CSR area.

Within the Group we have during the past years focused on two key areas: strengthening our HR efforts with the establishment of an HR department and the development of guidelines for employee satisfaction as well as teaching our employees how to tackle any challenges within corruption and bribery. With the help of a self-developed E-learning programme, 169 Danish and foreign employees have been tested and equipped to understand the limits between right and wrong.

We have always maintained a good dialogue with our stakeholders, and the dialogue has been extended this year with a major analysis, resulting in 61 different stakeholders' expression on the importance they lay on egetæppers performance within the seven focus areas. The analysis shows that the stakeholders attach great importance to CSR, which means that we must demand more from our partners and ourselves. Therefore, we are currently developing an audit programme for the suppliers who come from countries where the risk of corruption, violation of human rights, poor working conditions and environmental impacts are greatest. The first suppliers are expected to be controlled by Bureau Veritas in the summer of 2015.

In the field of human rights we disapprove discrimination and work for equal rights to everyone both internally and externally. We respect human rights as a whole and advocate observance of human rights related to our business area and in connection with our activities at home and abroad. Respect of human rights

is an important parameter in egetæpper's Code of Conduct and must be accepted and signed by all significant suppliers. The Code of Conduct has been sent to 89 suppliers for acceptance and signature. So far 75% has signed it.

It is egetæpper's policy to reduce the company's emission of CO<sub>2</sub> and with it reduce our strain on the climate. We support development in renewable energy by acquiring RECS-certificates through our partnership with DONG Energy. RECS-certificates for 7,250 MWh have been purchased this year, which corresponds to 88% of our electricity consumption in the present financial year - an increase of approx. 3% compared to last year. Every year we implement projects to reduce the production plant's energy consumption and also in 2014/15 we have completed projects where energy savings have been part of the overall investment project.

egetæpper has joined the UN Global Compact and every year egetæpper publishes a CSR report. Furthermore we joined the trade association Dansk Fashion & Textile's Code of Conduct back in 2010.

egetæpper's CSR report will be published 11 August 2015 and can be downloaded from the company website [http://catalogs.egecarpet.com/CSR\\_UK\\_2014\\_2015/](http://catalogs.egecarpet.com/CSR_UK_2014_2015/)

## Multiplicity in management

In pursuance of ÅRL §99b egetæpper has to report on target figures etc. concerning the underrepresented sex in boardroom positions plus describe policy, actions and results regarding enlargement of the percentage of underrepresented sex on other management levels.

The report will be published 11 August 2015 and can be downloaded at [www.ege.dk/om-ege/investor/selskabsledelse-m-v](http://www.ege.dk/om-ege/investor/selskabsledelse-m-v)

At present egetæpper has an underrepresentation of women in boardroom positions and at other management levels. Generally our policy is to secure a multiple workplace and also work for advancing the number of women in leadership positions. We will secure our employees that they can use their skills in the best possible way regardless of sex, ethnicity, religion, political views, age, handicap, sexuality etc.



## Income statement 1 May - 30 April – Group

t.DKK	2014/15	2013/14
Turnover	873,489	784,382
Change in stock of finished goods, work in progress and commercial goods	32,767	-5,824
Costs for raw materials, auxiliaries and commercial goods	-408,903	-330,319
Other external costs	-158,488	-144,621
<b>Gross profit</b>	<b>338,865</b>	<b>303,618</b>
Other operating income	2,115	5,443
Staff costs	-243,293	-210,708
Depreciations	-29,752	-28,433
Other operating costs	-474	-108
<b>Profit before financial entries and taxation</b>	<b>67,461</b>	<b>69,812</b>
Shares of result in associated company	480	0
Financial income	279	119
Financial expenses	-13,095	-7,796
<b>Profit before tax</b>	<b>55,125</b>	<b>62,135</b>
Tax on profit for the year	-11,858	-14,108
<b>Profit for the year</b>	<b>43,267</b>	<b>48,027</b>
<b>Divided between</b>		
Shareholders of egetæpper a/s	41,901	46,544
Minority shareholders	1,366	1,483
	43,267	48,027
Earnings per diluted share, DKK (EPS-D)	15.99	17.76
Earnings per share, DKK (EPS)	15.99	17.76





## Comprehensive income statement 1 May 2014 - 30 April 2015 – Group

t.DKK	2014/15	2013/14
<b>Financial entries which might be reclassified to the profit and loss account</b>		
Exchange rate adjustment of foreign subsidiaries	1,149	-1,197
Tax on other comprehensive income	0	0
<b>Other comprehensive income after tax</b>	<b>1,149</b>	<b>-1,197</b>
Profit for the year	43,267	48,027
<b>Total recognised comprehensive income</b>	<b>44,416</b>	<b>46,830</b>
<b>Divided between</b>		
Shareholders of egetæpper a/s	43,050	45,347
Minority shareholders	1,366	1,483
	44,416	46,830

## Balance sheet at 30 April 2015 – Group

t.DKK	30/4 2015	30/4 2014
<b>Assets</b>		
<b>Non-current assets</b>		
<b>Intangible assets</b>		
Development costs	1,446	175
Customer relations	4,550	0
Agency rights	1,610	1,610
Goodwill	34,599	18,468
	42,205	20,253
<b>Tangible fixed assets</b>		
Land and buildings	136,166	143,963
Plant and machinery	106,818	82,139
Fixtures and fittings, tools and equipment	23,460	21,114
Property, plant and equipment under construction	26,196	14,654
	292,640	261,870
<b>Financial fixed assets</b>		
Capital investments in associated companies	25,096	0
	25,096	0
<b>Total non-current assets</b>	359,941	282,123
<b>Current assets</b>		
Inventories	218,747	175,539
Trade receivables	144,771	108,292
Cash at bank and in hand	16,379	21,568
	379,897	305,399
Assets held for sale	10,381	0
<b>Total current assets</b>	390,278	305,399
<b>Total assets</b>	750,219	587,522



t.DKK	30/4 2015	30/4 2014
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	26,210	26,210
Reserve for exchange rate adjustments	3,707	2,558
Retained earnings	386,712	361,848
Proposed dividends	17,037	18,347
	433,666	408,963
Minority shareholders' part	4,998	5,112
<b>Total equity</b>	438,664	414,075
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Deferred tax	21,059	20,669
Credit institutions	132	166
Other long-term liabilities	68,598	34,599
	89,789	55,434
<b>Short-term liabilities</b>		
Current portion of non-current liabilities	34	33
Trade payables	46,001	40,223
Bank debts	74,554	19,282
Corporation tax	9,739	4,966
Other payables	91,438	53,509
	221,766	118,013
<b>Total liabilities</b>	311,555	173,447
<b>Total equity and liabilities</b>	750,219	587,522

## Cash flow statement 1 May - 30 April – Group

t.DKK	2014/15	2013/14
Turnover and other operation income	875,090	785,975
Operating costs	-806,825	-721,157
Depreciations	29,752	28,433
Change in working capital	-117	-7,453
<b>Cash flow from activities before financial items</b>	<b>97,900</b>	<b>85,798</b>
Interest receivable and similar income	279	214
Interest payable and similar charges	-13,446	-7,967
<b>Cash flow from ordinary activities</b>	<b>84,733</b>	<b>78,045</b>
Corporation tax paid	-9,467	-16,967
<b>Cash flows from operation activities</b>	<b>75,266</b>	<b>61,078</b>
Acquisition of tangible assets	-63,633	-39,782
Sale of tangible assets	1,640	5,702
Acquisition of intangible assets	-1,955	0
Acquisition of company	-45,702	0
<b>Cash flows to investment activities</b>	<b>-109,690</b>	<b>-34,080</b>
Change in long-term liabilities	4,422	1,373
Change in operating credits	44,289	-9,374
Dividend paid	-18,347	-13,314
Dividend paid to minority shareholders	-1,480	-1,073
<b>Cash flows from financing activities</b>	<b>28,884</b>	<b>-22,388</b>
Cash flow of the year	-5,540	4,610
Cash and cash equivalents at 1 May 2014	21,568	17,053
Value adjustment of cash equivalents	351	-95
<b>Cash equivalents at 30 April 2015</b>	<b>16,379</b>	<b>21,568</b>



## Statement of changes in equity at 30 April 2015 – Group

t.DKK	Share capital	Reserve for exchange adjustment	Retained earnings	Proposed dividends	Total	Minority shareholders	Total equity
<b>Equity at 1 May 2014</b>	26,210	2,558	361,848	18,347	408,963	5,112	414,075
<b>Transactions in equity 2014/15</b>							
Value adjustment of foreign subsidiaries	0	1,149	0	0	1,149	0	1,149
Net profits recognized directly on equity	0	1,149	0	0	1,149	0	1,149
Profit for the year	0	0	24,864	17,037	41,901	1,366	43,267
<b>Total consolidated income</b>	0	1,149	24,864	17,037	43,050	1,366	44,416
Dividend paid	0	0	0	-18,347	-18,347	-1,480	-19,827
<b>Total transactions in equity 2014/15</b>	0	1,149	24,864	-1,310	24,703	-144	24,589
<b>Total equity at 30 April 2015</b>	26,210	3,707	386,712	17,037	433,666	4,998	438,664

### Reserve for exchange rate adjustment

Reserve for exchange rate adjustment contains all adjustments occurring when accounts of subsidiaries in other functional currencies than DKK are converted. It also contains exchange rate adjustments concerning assets and liabilities which represent a part of the group's net investment in subsidiaries and also exchange rate adjustments concerning hedging transactions which covers the exchange risk of the group's net investment in subsidiaries.

Dividend is recommended to 6.50 DKK per share equal to approx 40% of the group's net result.

## Statement of changes in equity at 30 April 2014 – Group

t.DKK	Share capital	Reserve for exchange adjustment	Retained earnings	Proposed dividends	Total	Minority shareholders	Total equity
<b>Equity at 1 May 2013</b>	26,210	3,755	333,651	13,314	376,930	4,702	381,632
<b>Transactions in equity 2013/14</b>							
Value adjustment of foreign subsidiaries	0	-1,197	0	0	-1,197	0	-1,197
Net profits recognized directly on equity	0	-1,197	0	0	-1,197	0	-1,197
Profit for the year	0	0	28,197	18,347	46,544	1,483	48,027
<b>Total consolidated income</b>	0	-1,197	28,197	18,347	45,347	1,483	46,830
Dividend paid	0	0	0	-13,314	-13,314	-1,073	-14,387
<b>Total transactions in equity 2013/14</b>	0	-1,197	28,197	5,033	32,033	410	32,443
<b>Total equity at 30 April 2014</b>	26,210	2,558	361,848	18,347	408,963	5,112	414,075

### Reserve for exchange rate adjustment

Reserve for exchange rate adjustment contains all adjustments occurring when accounts of subsidiaries in other functional currencies than DKK are converted. It also contains exchange rate adjustments concerning assets and liabilities which represent a part of the group's net investment in subsidiaries and also exchange rate adjustments concerning hedging transactions which covers the exchange risk of the group's net investment in subsidiaries.

## Notes without reference – Group

The segmentation is prepared on the basis of the group's internal management reporting and is based on the individual market (operating segment). Consolidation to reportable segments is based on differences in sales channels.

The segment "Direct sale" includes sale achieved by egetæpper's Danish sales organisation as well as foreign subsidiaries and sales offices.

The segment "Indirect sale" is defined as sale via commercial agents or sale to importers/distributors abroad.

As segmental result we use the internal phrase "marketing contribution". This is defined as external revenue with deduction of direct wages and material used for production as well as costs, which are directly referable to the individual markets.

Segmental information	Direct sale	Indirect sale	Total reportable segments
<b>2014/15</b>			
External revenue	762,260	111,229	873,489
Market contribution	151,557	34,779	186,336
Assets	268,096	14,627	282,723
<b>2013/14</b>			
External revenue	668,634	115,748	784,382
Market contribution	155,255	35,624	190,879
Assets	149,328	12,382	161,710
<b>Reconciliation of result for the period before tax</b>			
			2014/15
			2013/14
Segmental result for reportable segments			186,336
Unallocated depreciations			-23,542
Unallocated financial costs			-3,957
Unallocated costs			-103,712
<b>Result for the period, cf. income statement</b>			<b>55,125</b>
			62,135
<b>Reconciliation of assets</b>			
			2014/15
			2013/14
Assets for reportable segments			282,723
Unallocated stock of goods			130,769
Unallocated cash and cash equivalents			5,270
Unallocated tangible fixed assets			331,457
<b>Assets, cf. balance sheet</b>			<b>750,219</b>
			587,522

\*) Agent markets are reclassified from indirect sale to direct sale. Comparison figures have been corrected accordingly.



[www.egecarpets.com](http://www.egecarpets.com)

**ege**<sup>®</sup>

THE URGE TO EXPLORE SPACE