

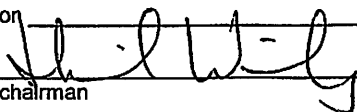
Fluidra Danmark A/S
Kometvej 28
DK-6230 Rødekro

Telephone +45 74 69 39 99

Fluidra Danmark A/S
Annual report 2015

The annual report was presented and adopted at the
Company's annual general meeting

on _____ 20__



chairman

CVR no. 13 64 38 49

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Fluidra Danmark A/S for the financial year 1 January – 31 December 2015.

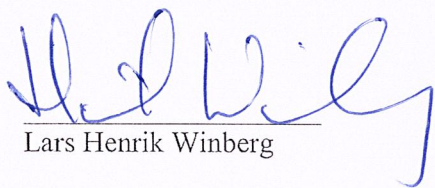
The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

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

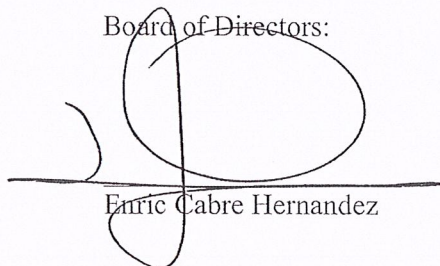
We recommend that the annual report should be approved at the annual general meeting.

Rødékro, 31 May 2016
Executive Board:

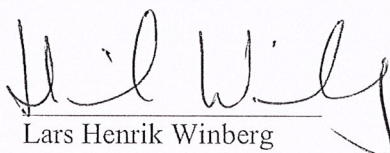


Lars Henrik Winberg

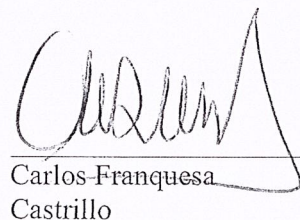
Board of Directors:



Eric Cabre Hernandez



Lars Henrik Winberg



Carlos Franquesa
Castrillo



Independent auditor's report

To the shareholders of Fluidra Danmark A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Fluidra Danmark A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. 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 and for such internal control that Management 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 under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 the 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 Company's preparation of 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 Company'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 evaluating 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 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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Aarhus, 31 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Mortensen
State Authorised
Public Accountant

Management's review

Company details

Fluidra Danmark A/S
Kometvej 28
DK-6230 Rødekro

Telephone: +45 74 69 39 99

CVR no.: CVR no. 13 64 38 49
Established: 1 November 1989
Registered office: Aabenraa
Financial year: 1 January – 31 December

Board of Directors

Enric Cabre Hernandez
Lars Henrik Winberg
Carlos Franquesa Castrillo

Executive Board

Lars Henrik Winberg

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Annual general meeting

The annual general meeting will be held on 31 May 2016.

Management's review

Operating review

Principal activities

The Company's activity is purchase, sale, import and distribution of all categories of goods and products to be used for swimming pools.

Uncertainty relating to recognition and measurement

The Company has capitalised a deferred tax asset of DKK 556 thousand based on its projected use as a set-off against profits within the coming 3-5 years. This is subject to uncertainty relating to recognition and measurement, because measurement is based on future expectations.

The Company has a receivable against PØ Leg & Teknik A/S of DKK 612 thousand and has furthermore issued a guarantee to the bankers of PØ Leg & Teknik A/S for its outstanding bank loans. The receivable has not been written down as PØ Leg & Teknik A/S is expected to pay back the outstanding account. Because the ability to pay the outstanding account requires that PØ Leg & Teknik A/S realises their budgets, the assessment of the receivable is subject to uncertainty.

Development in activities and financial position

In 2015, the Company enjoyed an increase in revenue and a profit for the year of DKK 282 thousand as against negative results of DKK 182 thousand for 2014.

Management is satisfied with results for 2015.

Group structure

Fluidra S.A., Avda. Francesc Macià 60, planta 20, 08208 Sabadell – Barcelona, Spain is the sole shareholder and prepares consolidated financial statements including Fluidra Danmark A/S.

Financial statements 1 January – 31 December

Accounting policies

The annual report of Fluidra Danmark A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rates at the transaction date.

Income statement

Revenue

Income from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

In accordance with section 32 of the Danish Financial Statements Act, Management chose not to disclose the size of revenue.

Other external costs

Other external costs comprise costs of goods sold and costs of distribution, sales, advertising, administration, premises, etc.

Financial statements 1 January – 31 December

Accounting policies

Other operating income and operating costs

Other operating income and operating costs comprise items secondary to the activities of the Company.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years
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Depreciation is recognised as depreciation in the income statement.

Financial statements 1 January – 31 December

Accounting policies

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as depreciation.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Equity – dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Financial liabilities, comprising bank loans, trade payables and payables to group entities, are recognised at the date of borrowing at cost, corresponding to proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2015	2014
Gross profit		3,292,545	2,666,100
Staff costs	1	-2,877,099	-2,641,141
Depreciation of property, plant and equipment		-54,044	-48,760
Operating profit/loss		361,402	-23,801
Profit/loss from investments in group entity after tax		0	-56,931
Financial income		71,953	147,156
Financial expenses		-16,563	-175,333
Profit/loss before tax		416,792	-108,909
Tax on profit/loss for the year	2	-134,330	-73,191
Profit/loss for the year		<u>282,462</u>	<u>-182,100</u>
 Proposed profit appropriation/distribution of loss			
Retained earnings		<u>282,462</u>	<u>-182,100</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2015	2014
ASSETS			
Non-current assets			
Property, plant and equipment	3		
Fixtures and fittings, tools and equipment		206,189	201,121
Total non-current assets		<u>206,189</u>	<u>201,121</u>
Current assets			
Inventories			
Goods for resale		1,481,081	1,893,188
Receivables			
Trade receivables		1,993,269	2,371,477
Receivables from group entities		19,846	1,804,000
Corporation tax receivable		0	6,000
Other receivables		199,082	199,082
Prepayments		77,886	142,315
Deferred tax asset		555,790	652,409
		<u>2,845,873</u>	<u>5,175,283</u>
Cash at bank and in hand		<u>6,157,765</u>	<u>2,407,635</u>
Total current assets		<u>10,484,719</u>	<u>9,476,106</u>
TOTAL ASSETS		<u><u>10,690,908</u></u>	<u><u>9,677,227</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	4		
Share capital		500,000	500,000
Retained earnings		7,714,520	7,432,058
Total equity		<u>8,214,520</u>	<u>7,932,058</u>
Liabilities			
Current liabilities			
Bank loans and overdrafts		17,940	29,540
Trade payables		105,364	385,713
Payables to group entities		1,254,747	764,897
Other payables		1,098,337	565,019
Total liabilities		<u>2,476,388</u>	<u>1,745,169</u>
TOTAL EQUITY AND LIABILITIES		<u>10,690,908</u>	<u>9,677,227</u>
Contractual obligations, contingencies, etc.	5		
Mortgages and collateral	6		
Ownership	7		

Financial statements 1 January – 31 December

Notes

DKK	2015	2014
1 Staff costs		
Wages and salaries	2,569,824	2,379,055
Pensions	181,028	230,717
Other social security costs	126,247	31,369
	<u>2,877,099</u>	<u>2,641,141</u>
2 Tax on profit/loss for the year		
Adjustment, deferred tax	96,619	28,755
Adjustment, deferred tax as a result of changes in tax rates	0	44,436
Adjustment regarding prior years	37,711	0
	<u>134,330</u>	<u>73,191</u>
3 Property, plant and equipment		
DKK		Fixtures and fittings, tools and equipment
Cost at 1 January 2015		<u>727,790</u>
Additions for the year		59,112
Disposals for the year		0
Cost at 31 December 2015		<u>786,902</u>
Depreciation at 1 January 2015		526,669
Depreciation in 2015		54,044
Depreciation at 31 December 2015		<u>580,713</u>
Carrying amount at 31 December 2015		<u>206,189</u>
Depreciated over		<u>3-5 years</u>

Financial statements 1 January – 31 December

Notes

4 Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	500,000	7,432,058	7,932,058
Transferred; see the profit appropriation/distribution of loss	0	282,462	282,462
Balance at 31 December 2015	500,000	7,714,520	8,214,520

2015	2014
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Share capital

The share capital is broken down as follows:
A shares, 1 share of a nominal value of DKK
500,000

500,000	500,000
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No shares carry special rights.

Financial statements 1 January – 31 December

Notes

5 Contractual obligations, contingencies, etc.

Leases

The Company has entered into operating leases at an amount of DKK 305 thousand with a residual term of 1-4 years. An amount of DKK 238 thousand falls due within one year.

6 Mortgages and collateral

The Company has provided a guarantee to the bankers of PØ Leg & Teknik A/S.

The Company has provided a guarantee in the form of cash of DKK 356 thousand for work performed by PØ Leg & Teknik A/S for Vejen Municipality, Rødding Centeret.

The Company has provided collateral for the parent company's bank loans in Spain.

Upon sale of the shares in PØ Leg & Teknik A/S, the Company has assumed warranty obligations for work performed prior to 31 December 2014. At 31 December 2015, there is a warranty obligation on five projects with a total obligation of DKK 497 thousand. The Company is of the opinion that this will not bring about any future drawing on the Company's financial resources.

7 Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the share capital:

Fluidra S.A.
Avda. Francesc Macià 60, planta 20
08208 Sabadell – Barcelona
Spain

Consolidated financial statements

The Company is included in the consolidated financial statements of Fluidra S.A., Spain.