

Honeywell A/S

Strandvejen 70, DK-2900, Hellerup, Denmark

Annual Report for 1 January - 31 December 2015

CVR-nr. 15 13 00 16

*The Annual Report was
presented and adopted at the
Annual General Meeting of the
Company on 15/12/2016.*

Jens Christian Jensen

Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Honeywell A/S for the financial year 1 January - 31 December 2015

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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position. We recommend that the annual report be approved at the annual general meeting.

Copenhagen, <Date> 25/2/2016

Executive Board

Cheryl Heather Jame Lim

Board of Directors

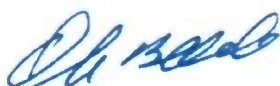


Jens Christian Jensen

Allan Reinert

Cheryl Heather Jame Lim

Henning Lutzen
Staff Representative



Ole Betak
Staff Representative

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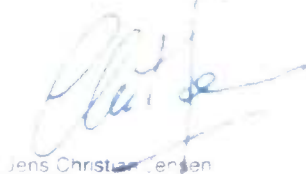
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Copenhagen, <Date> 25/2/2016

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Board of Directors



Jens Christian Jensen



Allan Reinert

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Henning Lutzen
Staff Representative

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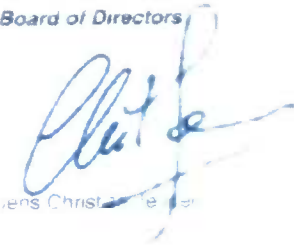
Copenhagen <Date> 25/2/2016

Executive Board



Cheryl Heather Jame Lim

Board of Directors



Jens Christian Ege

Alan Reinert



Cheryl Heather Jame Lim

Henning Lutzen
Staff Representative

Ole Betak
Staff Representative

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Hønenes AS for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In this opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

Further, in accordance with Management's review gives a fair view of the development in the Company's operations and financial matters and the results of the Company's operations and financial position. We recommend that the annual report be approved at the annual general meeting.

Copenhagen, <Date>

Executive Board

Cheryl Heather Jame Lim

Board of Directors

Mrs. Christian Jensen

Alan Reinert

Cheryl Heather Jame Lim

Henning Lutzen
Staff Representative

Ole Betak
Staff Representative

Independent Auditor's report

To the owners of Honeywell A/S

Report on the financial statements

We have audited the financial statements of Honeywell A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 as 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 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 judgment, including the assessment of the risks of material misstatements 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 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 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 Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 – 31.12.2015 in accordance with the Danish Financial Statements Act.

Report on other legal and regulatory requirements

Emphasis of matter regarding other issues

Without qualifying our opinion, we point out that, pursuant to the provisions of section 138 of the Danish Financial Statements Act, the Company has not presented the annual report for the period 01.01.2015 – 31.12.2015 in time, for which reason Management may be held liable.

Contrary to section 147 of the Danish Companies Act, Management has not observed all its duties to keep records and minutes, etc by which Management may incur liability.

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 financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen 25 July 2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56



Jan Larsen
State-Authorised Public Accountant

Company Information

The Company

Honeywell A/S
Strandvejen 70
DK-2900 Hellerup

Telephone: +45 39 55 55 55
Telefax: +45 39 55 55 51
Website: www.honeywell.dk

CVR No.: 15 13 00 16

Financial period: 1 January - 31 December

Municipality of reg. office: Gentofte

**Board of
Directors**

Jens Christian Jensen
Allan Reinert
Henning Lutzen
Ole Betak
Cheryl Heather Jame Lim

Executive Board

Cheryl Heather Jame Lim

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6,
DK-2300 København

Lawyers

Moltke-Leth
Amaliegade, København K

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

Key figures	2015	2014	2013	2012	2011
	TDKK	TDKK	TDKK	TDKK	TDKK
Profit/loss					
Revenue	356,458	351,860	357,208	354,515	346,573
Ordinary operating profit	25,836	22,119	28,323	19,460	20,423
Operating Profit	25,836	29,407	36,542	27,611	28,770
Net financials	-1,503	-1,442	-1,005	-628	-295
Net profit/loss for the year	17,980	20,415	26,008	19,552	20,663
Balance sheet					
Fixed assets	252	6,098	11,958	17,879	23,979
Total Assets	281,870	251,704	236,458	216,192	199,938
Equity	210,806	192,748	172,034	146,165	127,300
Financial ratios %					
Profit margin	7.3%	8.4%	10.2%	7.8%	8.3%
Return on assets	9.7%	12.1%	16.2%	13.3%	15.8%
Solvency ratio	74.8%	76.6%	72.8%	67.6%	63.7%
Return on equity	8.9%	11.2%	16.3%	14.3%	17.7%

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' recommendations and guidelines. For definitions, please see the accounting policies.

Management's Review

The Annual Report of Honeywell A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Principal activity

Honeywell A/S' field of activities are marketing, sales, engineering, design, installation and service within building and industrial automation including supply of components.

Financial review

The income statement of the Company for 2015 shows a profit of DKK 17,980k, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 210,806k.

The Sales for 2015 was DKK 356,458k compared to DKK 351,860k for 2014. The sales has been increasing every year since 2009, but with a little decrease in 2014 and despite the missing economic growth it is back to 2008 level before the crisis which hurt many businesses hard.

The Operating Income for Honeywell A/S was DKK 25.8m. The result for 2015 represents DKK 18m compared to DKK 20.4m for 2014 and is at expected level. The development is mainly due to a change in the product mix. After the result of the year the solvency ratio is 74.8% compared to 76.9 % in 2014. Honeywell A/S has for a large number of years been 100% self-financing.

Outlook

Honeywell represents the following Business Units, which all belong to Automation & Control Solutions (ACS) Sensing & Control (Components) includes activities in Norway, Sweden and Finland.

The products of the department are mainly used in durable consumer goods of which a very large part is re-exported worldwide.

Environmental and Combustion Controls (automation and solutions for smaller and middle sized buildings) includes sales activities in Norway, Sweden and Finland. Part of the result has been reached through a continuous development of the sales to system houses and through an extension of the distributor network.

The department has focused on the marketing of new products for protection of drinking water, including back flow preventer.

The department is Customer Service Center for the Nordic Countries as well as the Baltic Countries supporting the different countries in their native language from the office in Hellerup.

Honeywell Building Solutions Building Solutions deliver and service solutions to end users through own technicians and project Managers. The market is primarily larger buildings and/or complicated systems containing various solutions, primarily CTS-systems, burglar alarms, fire alarms, access control and video surveillance within building automation, integrated into one system.

Health, Safety and Environment (HSE) is a very important part of the activities of Building Automation, and the HSE Playbook lists month by month throughout the year the HSE activities, that are required in order to follow both the demands of Honeywell as well as the local laws. Near miss reporting is also a requirement for all employees.

The past year and follow-up on development expectations from last year

The result for 2015 corresponds to the expectations.

Basis of earnings

Diversity

Honeywell A/S will ensure both for the Board and generally, that it is always the most qualified person that holds a given position. The performance of all employees and managers is measured by individual goals and managers on all levels are evaluated in 180 degrees measures, where the manager's manager and the manager's employees are reviewing the manager according to Honeywell's Global integrity and Compliance Program. The evaluation is used as basis for promotions in order that promotion happens based on performance and objective criteria.

It is Honeywell A/S' wish to enhance Diversity and create equal opportunities for everybody regardless of gender, age, ethnicity and political and religious persuasion. This ambition is rooted in Honeywell's Global Code of Conduct and policy that ensures an increased share of female in management.

Management's Review

When recruiting managers, Honeywell A/S will ensure that the share of female applicants on the "short-list" is the same as the share of female applicants. Honeywell A/S will also ensure to include at least one female candidate in the considerations for a promotion to a manager position. Honeywell A/S will also ensure that female managers will be offered membership of relevant network. The Board consists of 100% male and 0% female.

External environment

Honeywell Int. is committed to be one of the leading companies within environmental control with regard to the running of own facilities as well as by delivering products and services that will help our customers improve the quality of the environment.

Intellectual capital resources

Honeywell A/S has 85 employees, who work in marketing, sales, engineering, design, installation and service within Building and Industrial Automation including supply of components.

The whole organisation continues the work to improve quality, including a higher degree of standardisation with Honeywell's similar organisations in other countries. All departments are certified according to ISO 9001: 2008. As part of Honeywell's international program Honeywell A/S is continuously investing in training of employees within Six Sigma. This has initiated new quality projects, which we expect will result in a positive return in the years to come. At year end 12 employees of Honeywell A/S has obtained Green belt certification.

Special risks – operating risks and financial risks

Price risks

The Company is not subject to any significant price risks.

Foreign currency risks

Due to activities abroad, profit, cash flows and equity are affected by the development in exchange rates for a number of currencies.

Interest rate risks

The Company does not have any significant interest-bearing debt and therefore the interest level will not have any significant impact on earnings. Accordingly, no interest-rate instruments are entered to hedge interest-rate risks.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting Policies

Basis of accounting

Financial Statements of Honeywell A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in *TDKK*.

The company is included in the Group Annual report of Honeywell International Inc., who prepares a Cash flow statement for the Group. Therefore, no Cash flow statement for the Company has been included in accordance with the Danish Financial Statements Act § 86, subsection 4.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Accounting Policies

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Contract work in progress concerning equipment for the manufacturing of furniture is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Cost of sales also includes research and development costs that do not qualify for capitalisations well as amortisation of capitalised development costs. Furthermore, amortisation of goodwill is included to the extent that goodwill relates to production activities. Finally, provisions for losses on contract work are recognised.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Danish subsidiaries in the Honeywell group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Non-current assets

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight—line basis over its useful life, which is assessed at 10 years.

Accounting Policies

Properly, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	6-18 years
Other fixtures and fittings, tools and equipment	5-15 years
IT equipment	3-5 Years
Leasehold improvements	5 years

Assets costing less than DKK 12,600 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Current assets

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Prepayments and payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity and liability

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry—forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on- account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Definition of financial ratios

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit from operating activities} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$

Income statement

for the year ended 31 December 2015

	Notes	2015	2014
		<i>TDKK</i>	<i>TDKK</i>
Revenue	1	356,458	351,860
Cost of sales		-255,558	-260,599
Gross profit		100,900	91,261
Distribution expenses		-61,568	-61,471
Administrative expenses		-13,496	-7,671
Ordinary operating profit		25,836	22,119
Other operating income		0	7,288
Operating profit		25,836	29,407
Financial income	3	2,506	2,616
Financial expenses	4	-4,009	-4,058
Profit before tax		24,333	27,965
Tax benefit/(expense) for the year	5	-6,353	-7,550
Profit for the year		17,980	20,415
Distribution of profit			
Proposed distribution of profit			
Retained earnings		17,980	20,415

Balance sheet

at 31 December 2015

	Notes	2015 TDKK	2014 TDKK
Assets			
Non-current assets			
Intangible assets			
Goodwill		0	5,833
	6	0	5,833
Property, plant and equipment			
Other fixtures and fittings, tools and equipment		15	28
	7	15	28
Financial assets			
Deposits		237	237
	8	237	237
Total non-current assets		252	6,098
Current assets			
Inventories		3,523	1,193
Receivables			
Trade receivables		51,705	48,021
Contract work in progress		772	1,907
Amounts owed by subsidiaries	9	210,175	178,456
Other receivables		1,338	3,436
Corporation tax		2,647	1,368
		266,637	233,188
Cash at hand and in bank		11,458	11,225
Total current assets		281,618	245,606
Total assets		281,870	251,704

Balance sheet

at 31 December 2015

Equity and liabilities			
Equity			
Share capital		4,500	4,500
Retained earnings		206,306	188,248
	10	<u>210,806</u>	<u>192,748</u>
Provisions			
Provision for deferred tax		509	1,271
Other provisions		269	332
		<u>778</u>	<u>1,603</u>
Current liabilities			
Trade payables		5,412	4,732
Prepayments	9	1,681	2,628
Payables to group enterprises		37,920	27,859
Corporation tax		0	0
Other payables		23,323	20,272
Deferred income	11	1,950	1,862
Total current liabilities		<u>70,286</u>	<u>57,353</u>
Total liabilities		<u>71,064</u>	<u>58,956</u>
Total equity and liabilities		<u>281,870</u>	<u>251,704</u>
Contingent assets, liabilities and other financial obligations	13		
Staff	2		
Fees to auditors appointed at the general meeting	12		
Related parties and ownership	14		

Notes to the annual report

at 31 December 2015

	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
1. Revenue		
Business Segments		
Sensing and Control, S&C	104,576	104,434
Environment and combustion controls, ECC	251,882	247,426
	<u>356,458</u>	<u>351,860</u>
2. Staff expenses		
	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Wages and salaries	54,164	51,217
Pensions	3,222	3,164
Other social security expenses	585	718
	<u>57,971</u>	<u>55,099</u>
Cost of sales	57,971	55,099
	<u>57,971</u>	<u>55,099</u>
Including remuneration to Executive Board and Board of Directors	1,570	1,906
Average number of employees	86	85
3. Financial income		
	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Interest received from group enterprises	20	34
Other financial income	289	317
Exchange adjustments	2,197	2,265
	<u>2,506</u>	<u>2,616</u>
4. Finance expenses		
	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Impairment losses on investment in subsidiaries	0	0
Exchange adjustments, expenses	3,997	3,691
Other financial expenses	12	367
	<u>4,009</u>	<u>4,058</u>
5. Tax on profit / loss for the year		
	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Current tax for the year	7 115	8,302
Deferred tax for the year	-762	-752
Adjustments to prior year	-	100
	<u>6 353</u>	<u>7,650</u>

Notes to the annual report

at 31 December 2015

6. Intangible Assets

	Software <i>TDKK</i>	Goodwill <i>TDKK</i>	Total <i>TDKK</i>
Cost at 1 January 2015	544	87,588	88,132
Cost at 31 December 2015	544	87,588	88,132
Impairment losses and amortization at 1 January 2015	544	81,755	82,299
Amortisation for the year	0	5,833	5,833
Impairment losses and amortisation at 31 December 2015	544	87,588	88,132
Carrying amount at 31 December 2015	0	0	0

7. Property, Plant and Equipment

	Other fixtures and fittings, tools and equipment <i>TDKK</i>	Leasehold Improvements <i>TDKK</i>	Total <i>TDKK</i>
Cost at 1 January 2014	2,964	90	3,054
Cost at 31 December 2014	2,964	90	3,054
Impairment losses and amortization at 1 January 2015	2,936	90	3,026
Depreciation for the year	13	0	13
Impairment losses and Depreciation at 31 December 2015	2,949	90	3,039
Carrying amount at 31 December 2015	15	0	15

8. Financial assets

	2015 <i>TDKK</i>
Cost at 1 January 2015	237
Additions for the year	0
Cost at 31 December 2015	237
Carrying amount at 31 December 2015	237

9. Contract work in progress

	2015 <i>TDKK</i>	2014 <i>TDKK</i>
Selling price of production for the period	23,805	29,823
Payments received on account	-24,704	-30,544
	-899	-721
Recognised in the balance sheet as follows-		
Contract work in progress recognised in assets	772	1,907
Prepayments	-1,671	-2,628
	-899	-721

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10. Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	<i>TDKK</i>	<i>TDKK</i>	<i>TDKK</i>
Equity at 1 January	4,500	188,248	192,748
Other comprehensive income	0	78	78
Net profit / loss for the year	0	17,980	17,980
Equity at 31 December	<u>4,500</u>	<u>206,306</u>	<u>210,806</u>

	<u>Number</u>	<u>Nominal Value</u>
	<i>TDKK</i>	<i>TDKK</i>
Shares at DKK 7k	30	210
Shares at DKK 10k	429	4,290
		<u>4,500</u>

There have been no changes in the share capital during the last 5 years.

11. Deferred income

Deferred income pertains to pre-invoiced service contracts and prepayments from customers.

12. Fee to auditors appointed at the general meeting

	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Audit fee	233	284
Non-audit services	0	20
	<u>233</u>	<u>304</u>

13. Contingent assets, liabilities and other financial obligations

	<u>2015</u>	<u>2014</u>
	<i>TDKK</i>	<i>TDKK</i>
Rental agreements and leases		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	3,812	455
Between 1 and 5 years	1,007	4,644
	<u>4,819</u>	<u>5,099</u>
Lease obligations, period of non-terminability 12 months	<u>2,791</u>	<u>3,821</u>

Contingent liabilities

The company has guaranteed for the associated companies accounts with the bank regarding guarantees for kDKK 174,422 and regarding cash overdraft for DKK 25,000. The parent company Honeywell International Inc. has agreed to cover this guarantee with the bank for kDKK 198,000.

The company has entered into bank guarantees regarding construction work etc., with a maximum credit limit of kDKK 30,000, of which kDKK 12,293 is utilized.

Notes to the annual report

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14. Related parties and ownership

Transactions

The company's related parties are Honeywell International Inc. and its subsidiaries. All transactions between the related parties are based on arms-length term. The type of transactions with the related parties can be specified as buying and selling of components, management fees, IT-service fees and loan.

Consolidated Financial Statements

The Company is owned 100% by Pittway Technologica (Italien), which is owned by Honeywell S.L (Spain) group and Honeywell A/S is included in the Group Annual Report as a subsidiary. Honeywell S.L. (Spain) is owned by Honeywell International Inc.

The Group Annual Report of Honeywell International Inc. may be obtained at the following address:

Honeywell International Inc.
101 Columbia Rd
Morristown, NJ 07960
USA

Or on the home page www.honeywell.com.