

BÜRKERT-CONTROMATIC A/S

HORKER 24

2730 HERLEV

CVR no. 19 18 58 18

Annual report for the period
1 January to 31 December 2015
(48th financial year)

Adopted at the annual general meeting on 29/4 2016



Chairman

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COMPANY DETAILS

Bürkert-Contromatic A/S
Hørkær 24
DK-2730 Herlev

CVR no. 19 18 58 18
Financial year: 1 January - 31 December
Incorporated: 19 May 1967
Domicile: Herlev

Board of directors

Heribert Peter Hans Rohrbeck, chairman
Marco Ivan Steinemann,
Rune Tarnø

Executive board

Aage Dam, adm. direktør

Auditors

Mazars
Statsautoriseret Revisionspartnerselskab
Østerfælled Torv 10, 2. sal
2100 København Ø

Consolidated financial statements

The Company is included in the consolidated financial statements of the parent company:
Bürkert-Contromatic AG International, Börsch 71, Hünenberg, Switerland

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Bürkert-Contromatic 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 financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a fair review of the matters dealt with in the Management's review.

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

Herlev, 5 February 2016

Executive Board



Aage Dam
adm. direktør

Supervisory Board



Heribert Peter Hans Rohrbeck
chairman



Marco Ivan Steinemann



Rune Tarnø

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Bürkert-Contromatic A/S

Report on the financial statements

We have audited the financial statements of Bürkert-Contromatic A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

The management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the management determines is necessary to enable the preparation of the 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 the 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.

The audit has not resulted in any qualification.

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's and cash flows operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on management's review

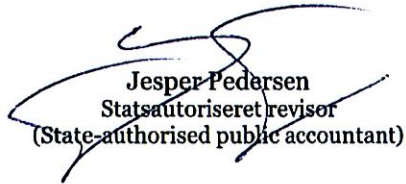
Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial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

Copenhagen, 5 February 2016

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR-no.31 06 17 41



Jesper Pedersen
Statsautoriseret revisor
(State-authorised public accountant)

MANAGEMENT'S REVIEW

Business activities

The Company is a wholly owned sales company in the international part of the Bürkert Group.

The Company sells products and systems for controlling fluids and gases. The product range consists of a wide range of valve types, sensors and instruments. These products are sold as components or as customized solutions. The Company now also manufactures system solutions to a greater extent.

The most important customers are the processing industry and machine manufacturer.

Business development and financial results

There has been increasing activities of our customers in 2016 and this has resulted in an increase in sales. There was a significant increase in sale to OEM customers and a good development in new customers.

Financial review

The Company's income statement for the year ended 31 December 2015 shows a profit of DKK 3,100,034, and the balance sheet at 31 December 2015 shows equity of DKK 27,671,340.

Expected development

Management believes that the development in the market situation will be increasing in 2016 but makes reservations for the overall market economy.

Focus will be on new applications within food products, energy, environment and especially drugs which provide increased resources to the sales department.

The product portfolio is modern and attractive to the market and the Company also offers system solutions which should increase the Company's market share.

Overall, all this enables a positive development in year 2016 in accordance with the Bürkert Group strategy.

The Company's knowledge resources if they are of particular importance to the future earnings

The Company has no specific knowledge resources

Environmental conditions

The Company's operations are not of such nature that it affects its external environment.

FINANCIAL HIGHLIGHTS

5-year summary:

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
KEY FIGURES					
Profit/loss					
Revenue	129,255	116,161	107,385	105,856	110,425
Gross profit	22,862	20,003	18,865	18,139	18,546
Profit/loss before financial income and expenses	4,285	2,615	2,343	1,445	3,020
Result of net financials	-133	-77	-63	-16	62
Profit/loss for the year	3,100	1,895	1,729	941	2,300
Balance sheet					
Balance sheet total	39,005	38,384	35,711	49,079	50,739
Investment in property, plant and equipment	184	441	488	166	197
Equity	27,671	24,571	22,676	39,448	38,507
FINANCIAL RATIOS					
Gross margin	18%	17%	18%	17%	17%
EBIT margin	3%	2%	2%	1%	3%
Return on equity	12%	8%	6%	2%	6%
Solvency ratio	71%	64%	63%	80%	76%

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

ACCOUNTING POLICIES

The annual report of Bürkert-Contromatic A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) applying to medium-sized enterprises of reporting class C

The accounting policies applied are consistent with those applies last year.

The annual report for 2015 is presented in Danish kroner

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition assets and liabilities are measured at cost and subsequently as described for each item below.

Certain financial assets and liabilities are subsequently measured at amortised cost, and constant effective rate of interest being applied over the term of the liabilities. Amortised cost is computed as original cost less any principal repayments and less / plus accumulated amortisation of the difference between cost on nominal value.

Anticipated risks and losses that arise before the time of presentation of the Annual Report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

The booked value of property, plant and equipment is reviewed yearly to determine whether there is indication of decrease of value except from what is reflected by normal depreciation. If this is the case, write off is made to the lower recovery value.

ACCOUNTING POLICIES

INCOME STATEMENT

Revenue

Revenue derived from the sale of goods is recognised in the income statement, provided that the goods have been delivered and the risk has passed to the buyer before the end of the year.

Income from services rendered is recognised as revenue in line with delivery of the services, provided that the delivery and the risk have passed to the buyer before the end of the year.

Revenue is recognised exclusive of VAT and less sales discount.

Raw materials and consumables

Cost of Raw materials and consumables include usage of raw materials and consumables after adjustment of change in inventory of these goods etc. beginning of year to year end. The item includes possible waste and usual write offs on referred inventories.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs consist of wages and salaries, including holiday pay and pensions and other costs to social security to the Company's employees. These are deducted received compensation from public authority in staff costs.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses Financial income and costs are recognised in the income statement with those amounts, which concerns the financial year. Items under financial income and expenses consists of interest income and costs, realised and unrealised capital gain and loss concerning transactions in foreign currency, additions and compensations under the tax prepayment scheme etc.

ACCOUNTING POLICIES

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible assets

Items of Tangible assets are measured at cost less accumulated depreciation.

Cost includes purchase price and any costs directly attributable to the acquisition until the date the asset is ready for use.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Other fixtures and fittings, tools and equipment 3 - 8

Profits or losses from disposal of property, plant and equipment are stated as the difference between the selling prices less than selling costs and the carrying amount at the date of sale. Profits or losses are recognised in the income statement under other income / expenses.

Stocks

Stocks are measured at using weighted average method Where the net realisable value is lower than the cost, inventories are carried at this lower value.

Cost for raw materials and consumables used extents cost.

The cost for finished goods and work in progress comprises the cost of raw materials, consumables and direct labour.

The net realisable value of stocks is determined as the selling price less completion expenses and expenses incurred to affect the sale and are determined according to the convertible unit, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost, which usually equals nominal value. Provisions for bad debts are made to meet expected losses at net realisation value.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

ACCOUNTING POLICIES

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Other liabilities are measured at net realisable value.

Foreign currency translation

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

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

No cash flow statement has been prepared for the parent company as the parent company cash flows are included in the consolidated cash flow statement.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of cash flows from acquisitions and disposals of property, plant and equipment as well as fixed assets investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term investments that are readily convertible to cash and that are subject to an insignificant risk of changes in value.

FINANCIAL HIGHLIGHTS

Definitions of financial ratios

Gross margin ratio

$\text{Gross Profit} \times 100 / \text{Revenue}$

EBIT margin

$\text{Profit/loss before financials} \times 100 / \text{Revenue}$

Return on equity

$\text{Net profit for the year} \times 100 / \text{Average equity}$

Solvency ratio

$\text{Equity at year end} \times 100 / \text{Total assets}$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2015</u>	<u>2014</u> DKK'000
REVENUE	1	129,255,304	116,161
Raw materials and consumables		-99,003,839	-89,404
Other external expenses		<u>-7,389,751</u>	<u>-6,754</u>
GROSS PROFIT		22,861,714	20,003
Staff costs	2	-18,244,299	-17,088
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-332,171</u>	<u>-300</u>
PROFIT/LOSS BEFORE FINANCIAL INCOME AND EXPENSES		4,285,244	2,615
Financial income	3	448	7
Financial costs	4	<u>-133,610</u>	<u>-84</u>
PROFIT/LOSS BEFORE TAX		4,152,082	2,538
Tax on profit/loss for the year	5	<u>-1,052,048</u>	<u>-643</u>
NET PROFIT/LOSS FOR THE YEAR		<u><u>3,100,034</u></u>	<u><u>1,895</u></u>
 Proposed distribution of profit			
Retained earnings		<u>3,100,034</u>	<u>1,895</u>
		<u><u>3,100,034</u></u>	<u><u>1,895</u></u>

BALANCE SHEET AT 31 DECEMBER

	Note	2015	2014 DK'000
ASSETS			
Other fixtures and fittings, tools and equipment		781,933	930
TANGIBLE ASSETS	6	781,933	930
Deposits	7	710,373	682
FIXED ASSET INVESTMENTS		710,373	682
FIXED ASSETS TOTAL		1,492,306	1,612
Raw materials and consumables		9,817	4
Work in progress		13,140	0
Finished goods and goods for resale		14,242,964	15,285
Prepayments for goods		22,350	324
STOCKS		14,288,271	15,613
Trade receivables		13,213,535	11,954
Receivables from group companies		4,280,421	5,954
Other receivables		11,135	166
Prepayments	8	382,207	437
RECEIVABLES		17,887,298	18,511
CASH AT BANK AND IN HAND		5,337,477	2,648
CURRENT ASSETS TOTAL		37,513,046	36,772
ASSETS TOTAL		39,005,352	38,384

BALANCE SHEET AT 31 DECEMBER

	<u>Note</u>	<u>2015</u>	<u>2014</u> DK'000
LIABILITIES AND EQUITY			
Share capital		1,700,000	1,700
Retained earnings		<u>25,971,340</u>	<u>22,871</u>
EQUITY TOTAL	9	<u>27,671,340</u>	<u>24,571</u>
Trade payables		778,952	1,191
Payables to group companies		5,493,899	8,577
Corporation tax		353,989	52
Other payables		<u>4,707,172</u>	<u>3,993</u>
SHORT-TERM DEBT		<u>11,334,012</u>	<u>13,813</u>
DEBT TOTAL		<u>11,334,012</u>	<u>13,813</u>
LIABILITIES AND EQUITY TOTAL		<u>39,005,352</u>	<u>38,384</u>
Contractual obligations	11		
Related parties and ownership	12		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	1,700,000	22,871,306	24,571,306
Net profit/loss for the year	0	3,100,034	3,100,034
Equity at 31 December 2015	<u>1,700,000</u>	<u>25,971,340</u>	<u>27,671,340</u>

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	<u>Note</u>	<u>2015</u>	<u>2014</u> DKK'000
Net profit/loss for the year		3,100,034	1,895
Adjustments		1,546,600	1,020
Change in working capital	10	<u>-911,364</u>	<u>-3,765</u>
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE FINANCIAL INCOME AND EXPENSES		3,735,270	-850
Interest income and similar income		448	7
Interest expenses and similar charges		<u>-133,609</u>	<u>-83</u>
CASH FLOWS FROM ORDINARY ACTIVITIES		3,602,109	-926
Corporation tax paid		<u>-700,000</u>	<u>-598</u>
CASH FLOWS FROM OPERATING ACTIVITIES		<u>2,902,109</u>	<u>-1,524</u>
Purchase of property, plant and equipment		-183,863	-441
Fixed asset investments made etc		<u>-28,079</u>	<u>0</u>
CASH FLOWS FROM INVESTING ACTIVITIES		<u>-211,942</u>	<u>-441</u>
CHANGE IN CASH AND CASH EQUIVALENTS		2,690,167	-1,965
Cash and cash equivalents at 1 January 2015		<u>2,647,310</u>	<u>4,613</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2015		<u><u>5,337,477</u></u>	<u><u>2,648</u></u>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		<u>5,337,477</u>	<u>2,648</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2015		<u><u>5,337,477</u></u>	<u><u>2,648</u></u>

NOTES TO THE ANNUAL REPORT

	<u>2015</u>	<u>2014</u>
		DKK'000
1 REVENUE		
Revenue home market	73,358,191	63,173
Handling fee	2,970,862	2,695
Outgoing freight	670,301	560
Export revenue EU	<u>52,255,950</u>	<u>49,733</u>
Revenue total	<u><u>129,255,304</u></u>	<u><u>116,161</u></u>
2 STAFF COSTS		
Wages and salaries	15,972,337	14,840
Pensions	1,369,282	1,294
Other social security costs	<u>902,680</u>	<u>954</u>
	<u><u>18,244,299</u></u>	<u><u>17,088</u></u>
Average number of employees	<u>26</u>	<u>25</u>
<p>According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.</p>		
3 FINANCIAL INCOME		
Other financial income	<u>448</u>	<u>7</u>
	<u><u>448</u></u>	<u><u>7</u></u>
4 FINANCIAL COSTS		
Other financial costs	<u>133,610</u>	<u>84</u>
	<u><u>133,610</u></u>	<u><u>84</u></u>
5 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	1,052,048	646
Adjustment of tax concerning previous years	<u>0</u>	<u>-3</u>
	<u><u>1,052,048</u></u>	<u><u>643</u></u>

NOTES TO THE ANNUAL REPORT

6 TANGIBLE ASSETS

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2015	4,624,080
Additions for the year	183,863
Disposals for the year	<u>-1,920,418</u>
	<u>2,887,525</u>
Cost at 31 December 2015	
Impairment losses and depreciation at 1 January 2015	3,693,839
Depreciation for the year	332,171
Reversal of impairment and depreciation of sold assets	<u>-1,920,418</u>
	<u>2,105,592</u>
Impairment losses and depreciation at 31 December 2015	
Carrying amount at 31 December 2015	<u><u>781,933</u></u>

7 FIXED ASSET INVESTMENTS

	<u>Deposits</u>
Cost at 1 January 2015	682,294
Additions for the year	<u>28,079</u>
	<u>710,373</u>
Cost at 31 December 2015	
Carrying amount at 31 December 2015	<u><u>710,373</u></u>

8 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums and subscriptions.

NOTES TO THE ANNUAL REPORT

9 EQUITY

The share capital consists of:

3,400 ordinary-shares a 500	<u>1,700,000</u>
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There have been no changes in the share capital during the last 5 years.

10 CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL

	<u>2015</u>	<u>2014</u>
		DKK'000
Change in inventories	1,325,834	-1,571
Change in receivables	697,622	-2,860
Change in trade payables, etc.	<u>-2,934,820</u>	<u>666</u>
	<u>-911,364</u>	<u>-3,765</u>

11 CONTRACTUAL OBLIGATIONS

Liabilities according to rent and lease contracts running to expirations	<u>4,017,368</u>	<u>2,581</u>
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12 RELATED PARTIES AND OWNERSHIP

Controlling interest

The Company has registered the following shareholders with controlling interest:
Bürkert-Contromatic AG International, Börsch 71, Hünenberg, Switerland