

LINCO FOOD SYSTEMS A/S
VESTERMØLLEVEJ 9, 8380 TRIGE
ANNUAL REPORT
2015

The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 27 May 2016

Petra Baader

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COMPANY DETAILS

Company	LINCO Food Systems A/S Vestermøllevej 9 8380 Trige
	Telephone: +45 86 23 14 55 Telefax: +45 86 23 14 44 Website: www.lincofood.com E-mail: linco@lincofood.com
	CVR no.: 19 18 95 11 Established: 8 August 1961 Registered Office: Aarhus Financial Year: 1 January - 31 December
Board of Directors	Petra Baader, chairman Torsten Krausen, vice-chairman Robert Focke Jan Kornø, elected by employees Tommy Skov Nielsen, elected by employees
Board of Executives	Ralph Anderson Miller Christian Isager Sørensen Hugo Holst Dissing Ulrik Christian Giese
Auditor	BDO Statsautoriseret revisionsaktieselskab Birkemose Allé 39 6000 Kolding
General Meeting	The Annual General Meeting is held on 27 May 2016 at the company's address.

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of LINCO Food Systems A/S for the year 1 January - 31 December 2015.

The Annual Report is presented 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 the company's operations for the financial year 1 January - 31 December 2015.

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

We recommend that the Annual Report be approved at the Annual General meetings.

Aarhus, 24 May 2016

Board of Executives

Ralph Anderson Miller

Christian Isager Sørensen

Hugo Holst Dissing

Ulrik Christian Giese

Board of Directors

Petra Baader
Chairman

Torsten Krausen
Vice-chairman

Robert Focke

Jan Kornø
Elected by employees

Tommy Skov Nielsen
Elected by employees

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of LINCO Food Systems A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of LINCO Food Systems A/S for the financial year 1 January to 31 December 2015, which comprise a summary of significant 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 as management determines is necessary to enable the preparation of financial statements 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 have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including 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 opinion.

The 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 operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any 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.

Kolding, 24 May 2016

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Lars Kruse
State Authorised Public Accountant

KEY FIGURES AND RATIOS

	2015 DKK '000	2014 DKK '000	2013 DKK '000	2012 DKK '000	2011 DKK '000
Income statement					
Net revenue.....	552.021	489.970	507.559	570.294	445.792
Gross profit.....	84.079	67.650	74.757	80.580	53.689
Operating profit/loss.....	5.183	5.896	17.323	32.827	17.893
Financial income and expenses, net.....	-3.221	-2.069	-1.463	-2.564	-993
Profit/loss for the year before tax.....	16.253	27.191	28.930	37.129	27.246
Profit/loss for the year.....	16.422	25.855	25.020	30.083	22.893
Balance sheet					
Investment in tangible fixed assets.....	10.344	7.186	3.116	4.776	1.388
Balance sheet total.....	422.979	378.486	317.278	279.997	262.460
Equity.....	196.466	190.755	156.622	135.330	106.483
Ratios					
Gross margin.....	15,2	13,8	14,7	14,1	12,0
Profit margin.....	0,9	1,2	3,4	5,8	4,0
Rate of return.....	4,1	7,8	9,7	13,7	11,7
Solvency ratio.....	46,4	50,4	49,4	48,3	40,6
Return on equity.....	8,5	14,9	17,1	24,9	22,6
Average number of employees.....	293	264	262	267	230

The ratios follow in all material respects the recommendations of the Danish Association of Financial Analysts. Reference is made to the definitions and concepts in the accounting policies.

MANAGEMENT'S REVIEW

Principal activities

LINCO Food Systems A/S develops, produces and sells machines and complete plants for slaughtering and processing of poultry as well as weighing and grading equipment, also used in the fish industry as well as other food industries.

Sales, marketing and service in several important markets takes place directly through subsidiaries.

Exceptional matters

The annual report of 2015 has not been affected by unusual circumstances.

Uncertainty on recognition or measurement

A significant part of the turnover comes from construction contracts, which is why an important element in the calculation of turnover comes from the estimation of total planned cost on each project. There is an intense focus on precision in these estimates.

Development in activities and financial position

The company experienced an increase in the turnover in 2015, which is due to improved market conditions in developed markets.

The net result including the result of equity investments in group companies is considered satisfactory.

Significant events after the end of the financial year

To this date, no events, which would influence the evaluation of this annual report, have occurred after the balance sheet date.

Special risks

The company is, at this time, not engaged in any legal actions, hence no provisions have been made in this respect.

Financial risks and currency risks

LINCO Food Systems A/S applies forward exchange transactions to secure receivables and payables in foreign currencies if it is different from EUR. In addition, continuous adjustments are made of net currency positions.

Interest rate exposure

Interest rate risks are limited by means of different securing instruments and interest swaps.

Environmental situation

LINCO Food Systems A/S runs its business with the highest possible respect of environmental matters with regard to own production as well as to the machines sold.

Future expectations

A positive development on important markets compared to the 2015 level is expected.

Continuous improvements of existing products as well as introduction of new systems and solutions raises the expected turnover for 2016 compared to the previous year.

The company's continued focus on growth, efficiency and adjustment of the organisation is expected to help stabilise the earning in the years to come.

Knowledge resources

The company aims to supply high-quality products focusing on operation reliability and a good basis for production of safe food. All central components are produced by the company whereas other components are produced by closely related sub-suppliers.

MANAGEMENT'S REVIEW

Research and development activities

The company pays development expenses concurrently to secure future sales. Major development projects, which meet a number of detailed conditions, are recognized as assets under construction, and amortized in the income statement, when the projects have been completed. Other development projects are expensed in the income statement.

The company's foreign branches

The company's activities in the French market are handled through the company's branch in France.

Corporate social responsibility

It is the ambition of the company to show social responsibility in line with its basic values. This is demonstrated in internal as well as external initiatives, though it is not described in an actual CSR-policy.

LINCO Food Systems A/S is working determinedly to ensure a safe and healthy working environment, so the environmental and climatic conditions are incorporated in the company's processes.

As a result of the work on social responsibility, LINCO Food Systems A/S focuses on the safety and environment of the work.

Target figures and policies for the underrepresented gender

One out of three board members elected at the general meeting are female and by that, the company meet the target set in the Danish law.

It is the company policy that regardless of gender, race, and religion, all employees are treated equally, in order that everyone has equal opportunities for employment.

The company continues to increase the representation of women in management positions with respect for the industry specific competences needed. The company encourage and support female employees that desires to raise into managerial positions.

ACCOUNTING POLICIES

The annual report of LINCO Food Systems A/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprises.

The Annual Report is prepared consistently with the accounting principles used last year.

General about recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and writedown, are also recognised in the income statement.

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

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Derivative financial instruments

Derivative financial instruments are the first time recognized in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Changes in the fair value of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognized asset or a recognized liability, are recognized in the profit and loss account together with changes in the fair value, if any, of the hedged asset or the hedged liability.

Change in the fair value of derivative financial instruments classified as and meeting the conditions of hedging future assets and liabilities are recognized in receivables or liabilities and in the equity. If the future transaction results in recognition of assets or liabilities, amounts are transferred, which were recognized in the equity, from the equity and are recognized in the cost price for the asset or the liability, respectively. If the future transaction results in income or costs, amounts are transferred, which were recognized in the equity, to the income statement in the period where the hedged influences the income statement.

For derivative financial statements, if any, which do not meet the conditions for treatment as hedging instruments, changes in the fair value are concurrently recognized in the income statement.

Consolidated financial statements

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Baader Poultry A/S, Aarhus, CVR number 30 71 48 30.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue

The net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognised exclusive of VAT, duties and less discounts related to the sale.

Contract work in progress is included in revenue based on the stage of completion, so that revenue corresponds to the selling price of the work performed in the financial year (the degree of completion method).

Sale of Services is recognised in the income statement if the service has been provided before the end of the year.

Segment details

Due to competitive considerations, the relaxation in art. 96 of the Danish Financial Statements Act has been applied, because it is Management's assessment that it will cause significant damage to the company to disclose the segment details in the annual report.

The market in which the company has activities, is characterised by strong competition between 3-4 competitors and the segment details can result in a shift in the competitive interrelationship between the competitors.

Production costs

Production costs comprise costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year.

Production costs also recognise amortisation of capitalised development as well as research costs and the development costs that do not fulfil the criteria for capitalisation.

Furthermore write-down is recognised in connection with expected losses on project contracts.

Distribution costs

Distribution costs recognise costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Distribution costs also recognise costs of the sales personnel, advertising and exhibition costs and amortisations.

Administrative expenses

Administrative expenses recognise costs incurred during the year regarding Management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc and related amortisations.

Other operating income and expenses

Other operating income and expenses include items of secondary nature in relation to the enterprise's principal activities.

Result of investments in subsidiaries

The proportional share of results of subsidiaries after full elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the company's income statement.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement.

Development costs comprise costs, including wages and salaries, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for capitalisation.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years and does not exceed 20 years.

Capitalised IT-projects are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised IT-projects are depreciated on a straight-line basis over the estimated useful life. The useful life is normally 3-5 years.

Intangible fixed assets are generally written down to the lower of recoverable value and carrying amount.

ACCOUNTING POLICIES

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs. No depreciation is provided on land.

In previous years the company's buildings have been revaluated. The revaluation is presented separately in the notes.

The depreciation base is cost and revaluations less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Buildings.....	10-25 years	0%
Production plant and machinery.....	5 years	0-30%
Other plants, fixtures and equipment.....	3-5 years	0-30%

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets where the company bears all material risks and benefits attached to the ownership (finance lease) are recognised as assets in the balance sheet. The assets are at the initial recognition measured at calculated cost equal to the lower of fair value and present value of the future lease payments. The internal interest rate of the lease contract is used as discounting factor or an approximate value when calculating the present value. Finance lease assets are depreciated similarly to the company's other tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement over the term of the contract. The company's total liability relating to operating leases and rental agreements are disclosed as contingencies etc.

ACCOUNTING POLICIES

Fixed asset investments

Investments in subsidiary enterprises are measured in the parent company balance sheet under the equity method.

At acquisitions of enterprises, the acquisition method is applied. Excess value in terms of group goodwill is amortized over the estimated economic lifetime, based on the management's experience within the business centres. Group goodwill is amortized over 7 to 12 years.

Investments in subsidiary enterprises are measured in the balance sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the parent company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill.

Net revaluation of investments in subsidiary enterprises is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiary enterprises with a negative carrying equity value are measured at DKK 0 and any amounts due from these enterprises are written down by the parent company's share of the negative equity to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds accounts receivable, the residual amount is recognised under provision for liabilities to the extent that the parent company has a legal or actual liability to cover the subsidiary's deficit.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and Management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

ACCOUNTING POLICIES

Contract work in progress

Contract work in progress is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

Usually, the degree of completion is calculated as the ratio between actual and total budgeted consumption of resources. For projects for which the consumption of resources cannot be applied as basis, the ratio of completed to total subactivities of the individual projects has been applied.

If the selling price of a construction contract cannot be calculated reliably, the contract is measured as the lower of costs incurred and net realisable value.

The specific piece of work in progress is recognised in the balance sheet as an account receivable or payable, depending on the net value of the selling price less progress invoicing and progress payments. Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Dividend

The expected payment of dividend for the year is recognised as a separate item under the equity capital.

Other provisions for liabilities

Provisions for liabilities include the expected cost of warranty commitments, loss on work in progress etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period. The provisions for liabilities are measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract.

Tax payable and deferred tax

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Mortgage debt is measured at amortised cost which for cash loans is equal to the debt outstanding and for bond loans is equal to the debt outstanding, calculated on the basis of the underlying cash value of the loan at the time of borrowing.

Other liabilities are measured at amortised cost equal to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange rate differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

CASH FLOW STATEMENT

Under reference to section 86 of the Danish Financial Statements Act, the cash flow statement is omitted.

KEY FIGURES

The ratios stated in the overview of financial highlights are calculated as follows:

Gross margin:

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

Profit margin:

$$\frac{\text{Operating profit} \times 100}{\text{Net revenue}}$$

Rate of return:

$$\frac{\text{Profit before tax} \times 100}{\text{Avg. assets}}$$

Solvency ratio:

$$\frac{\text{Equity, end of period} \times 100}{\text{Total liabilities, end of period}}$$

Return on equity:

$$\frac{\text{Profit after tax} \times 100}{\text{Avg. equity}}$$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK	2014 DKK '000
NET REVENUE	1	552.021.371	489.970
Production costs.....		-467.942.339	-422.320
GROSS PROFIT		84.079.032	67.650
Distribution costs.....		-41.874.712	-32.390
Administrative expenses.....		-37.248.227	-29.396
OPERATING PROFIT		4.956.093	5.864
Other operating income.....		226.474	32
Operating profit		5.182.567	5.896
Result of equity investments in group companies.....		14.291.535	23.364
Financial income.....		223	2
Financial expenses.....	2	-3.221.662	-2.071
Profit before tax		16.252.663	27.191
Tax on profit/loss for the year.....	3	168.966	-1.336
PROFIT FOR THE YEAR		16.421.629	25.855
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		7.500.000	18.602
Allocation to reserve for net revaluation according to equity method.....		6.613.694	15.382
Accumulated profit.....		2.307.935	-8.129
TOTAL		16.421.629	25.855

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2015 DKK	2014 DKK '000
Development projects completed.....		4.914.528	6.918
IT.....		7.304.239	9.148
Development projects in progress.....		62.479.260	24.878
Intangible fixed assets	4	74.698.027	40.944
Land and buildings.....		12.960.737	14.572
Production plants and machinery.....		8.059.663	7.175
Other plants, machinery, tools and equipment.....		2.012.077	1.744
Tangible fixed assets in progress.....		8.057.023	2.367
Tangible fixed assets	5	31.089.500	25.858
Fixed asset investments.....	6	137.301.728	130.688
Receivables from group enterprises.....		0	325
Rent deposit and other receivables.....		35.290	35
Fixed asset investments		137.337.018	131.048
FIXED ASSETS		243.124.545	197.850
Raw materials and consumables.....		3.186.600	3.689
Work in progress.....		6.861.327	6.704
Finished goods and goods for resale.....		55.238.657	52.857
Prepayments for goods.....		1.395.424	1.555
Inventory		66.682.008	64.805
Trade receivables.....		38.037.768	27.855
Contract work in progress.....	7	58.326.191	25.813
Receivables from group enterprises.....		2.912.026	20.142
Other receivables.....		1.228.632	419
Receivables corporation tax.....		5.875.000	0
Prepayments and accrued income.....	8	3.614.357	4.097
Accounts receivable		109.993.974	78.326
Cash and cash equivalents.....		3.178.600	37.505
CURRENT ASSETS		179.854.582	180.636
ASSETS		422.979.127	378.486

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK	2014 DKK '000
Share capital.....		10.374.870	10.375
Reserve for net revaluation according to equity-method.....		21.995.773	15.382
Retained profit.....		156.595.032	146.396
Proposed dividend.....		7.500.000	18.602
EQUITY.....	9	196.465.675	190.755
Provision for deferred tax.....	10	10.166.063	1.296
Other provisions for liabilities.....		3.164.400	3.374
PROVISION FOR LIABILITIES.....		13.330.463	4.670
Mortgage debt.....		8.205.693	9.533
Accruals and deferred income.....		676.056	676
Lease liabilities.....		0	380
Long-term liabilities.....	11	8.881.749	10.589
Short-term portion of long-term liabilities.....	11	1.731.622	1.700
Bank debt.....		18.860.636	9
Prepayments received from customers.....	7	70.626.843	65.802
Trade payables.....		58.933.096	42.003
Payables to group enterprises.....		11.822.576	15.258
Corporation tax.....		0	730
Other liabilities.....		42.326.467	46.970
Current liabilities.....		204.301.240	172.472
LIABILITIES.....		213.182.989	183.061
EQUITY AND LIABILITIES.....		422.979.127	378.486
Contingencies etc.	12		
Charges and securities	13		
Related parties	14		
Fee to auditors appointed by the General Meeting	15		
Staff costs	16		

NOTES

	2015 DKK	2014 DKK '000	Note
Net revenue			1
Segment details			
Net revenue, Denmark.....	5.345.406	7.439	
Net revenue, export.....	546.675.965	482.531	
	552.021.371	489.970	
Financial expenses			2
Other interest expenses.....	3.221.662	2.070	
	3.221.662	2.070	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	-5.285.136	2.011	
Adjustment of deferred tax.....	5.709.855	-620	
Adjustment of deferred tax due to changed tax rate.....	-593.685	-55	
	-168.966	1.336	
Intangible fixed assets			4
	Development projects completed	Intangible fixed assets acquired	
Cost at 1 January 2015.....	18.558.649	6.860.313	
Cost at 31 December 2015.....	18.558.649	6.860.313	
Depreciation at 1 January 2015.....	11.640.677	6.860.313	
Repaid contribution on development project.....	-126.633	0	
Depreciation.....	2.130.077	0	
Depreciation at 31 December 2015.....	13.644.121	6.860.313	
Carrying amount at 31 December 2015.....	4.914.528	0	

NOTES

Note

	IT	Development projects in progress
Cost at 1 January 2015.....	22.366.565	24.877.963
Addition.....	1.637.086	38.198.993
Disposal.....	0	-597.696
Cost at 31 December 2015.....	24.003.651	62.479.260
Depreciation at 1 January 2015.....	13.218.958	0
Depreciation.....	3.480.454	0
Depreciation at 31 December 2015.....	16.699.412	0
Carrying amount at 31 December 2015.....	7.304.239	62.479.260

Tangible fixed assets

5

	Land and buildings	Production plants and machinery
Cost at 1 January 2015.....	63.101.526	38.849.765
Addition.....	0	3.554.873
Cost at 31 December 2015.....	63.101.526	42.404.638
Depreciation and write-down at 1 January 2015.....	48.529.519	31.675.162
Depreciation.....	1.611.270	2.669.813
Depreciation and write-down at 31 December 2015.....	50.140.789	34.344.975
Carrying amount at 31 December 2015.....	12.960.737	8.059.663
	Other plants, machinery, tools and equipment	Tangible fixed assets in progress
Cost at 1 January 2015.....	9.055.506	2.366.682
Addition.....	1.099.114	5.690.341
Disposal.....	-317.925	0
Cost at 31 December 2015.....	9.836.695	8.057.023
Depreciation and write-down at 1 January 2015.....	7.311.373	
Reversal of depreciations on assets disposed of.....	-317.925	
Depreciation.....	831.170	
Depreciation and write-down at 31 December 2015.....	7.824.618	
Carrying amount at 31 December 2015.....	2.012.077	8.057.023

Value of recognised assets not owned by the company: 515.853 DKK

NOTES

Note

Fixed asset investments

6

	Fixed asset investments
Cost at 1 January 2015.....	115.305.955
Cost at 31 December 2015.....	115.305.955
Revaluation at 1 January 2015.....	15.382.079
Exchange rate adjustment at closing rate.....	7.568.396
Dividend.....	-14.939.844
Revaluation and write-down for the year.....	13.985.142
Revaluation at 31 December 2015.....	21.995.773
Carrying amount at 31 December 2015.....	137.301.728

Subsidiaries (100% ownership) are:

LINCO Food Systems S.A., Spain
 LINCO Food Systems Ltda., Brazil
 Lindholst Asia SDN. BHD., Malaysia
 LINCO Labuan Co Ltd, Malaysia
 LINCO Food Systems Ltda., Chile
 LINCO Food Systems B.V., The Netherlands
 Baader LINCO Inc., USA

	2015 DKK DKK	2014 DKK '000 DKK '000
Contract work in progress		
Contract work in progress.....	303.600.606	289.703
Invoiced an account.....	-315.901.258	-329.692
Contract work in progress, net.....	-12.300.652	-39.989
Recognized as:		
Contract work in progress (assets).....	58.326.191	25.813
Prepayments from customers (liabilities).....	-70.626.843	-65.802
	-12.300.652	-39.989

7

Prepayments and accrued income

8

Prepayments and accrued income relates to prepaid contingencies and license fees as well as prepaid expenses regarding future financial years.

NOTES

Note

Equity

9

	Share capital	Reserve for net revaluation according to equity method	Retained profit	Proposed dividend	Total
Equity at 1 January 2015.....	10.374.870	15.382.079	146.395.739	18.602.250	190.754.938
Dividend paid.....				-18.602.250	-18.602.250
Foreign exchange rate adjustments.....			7.581.327		7.581.327
Derivative financial instruments at fair value.....			310.031		310.031
Proposed distribution of profit..		6.613.694	2.307.935	7.500.000	16.421.629
Equity at 31 December 2015..	10.374.870	21.995.773	156.595.032	7.500.000	196.465.675
					2015 DKK
Share capital 1 January 2010.....					8.500.000
1. januar 2011, capital increase by merger.....					1.874.870
Share capital 31 December 2015.....					10.374.870
				2015 DKK	2014 DKK '000
Share capital					
A-shares, 2.800 stk. a nom. 1.221 kr.....			3.417.604		3.418
B-shares, 5.700 stk. a nom. 1.221 kr.....			6.957.266		6.957
			10.374.870		10.375

Provision for deferred tax

10

Provision for deferred tax relates to differences between the carrying amount and the tax value of intangible fixed assets and tangible fixed assets, including recognised finance leases as well as accrued expenses.

NOTES

Note

Long-term liabilities

11

	1/1 2015 total liabilities	31/12 2015 total liabilities	Repayment next year	Debt outstanding after 5 years
Mortgage debt.....	10.869.764	9.556.874	1.351.181	1.212.886
Accruals and deferred income..	676.056	676.056	0	0
Lease liabilities.....	743.139	380.441	380.441	0
	12.288.959	10.613.371	1.731.622	1.212.886

Accruals and deferred income relates to received contribution to development projects in progress.

Contingencies etc.

12

The Company has provided bank guarantees totalling DKK ('000) 34.597 relating to payment guarantees and general performance guarantees.

The Company is subject to recapture relating to used losses from foreign subsidiaries until 2004.

Operating lease contracts on machinery and cars have been entered with a total lease commitment during the residual term of 5 to 37 months of DKK ('000) 730.

The company has filed a claim against a business partner due to a breach of contract. The company's attorney assesses that LINCO Food Systems A/S will be awarded damages based on the claim.

Liability under joint taxation

Along with the parent company, the company is joint and severally liable for tax on the group's jointly taxed income and for specific withholding taxes.

Payable taxes of the group's jointly taxed income are shown in the financial statements of Baader Poultry A/S, which is the administrating company with regard to taxation.

Charges and securities

13

Debt to mortgage provider, DKK ('000) 9.557 is secured by mortgages totalling DKK ('000) 22.053 comprising land, and buildings with the booked value of DKK ('000) 12.961 as of 31 December 2015. The mortgage also comprises the plant and machinery deemed part of the properties.

As security for debt to financial institutions, the company has issued mortgage deeds totalling DKK ('000) 24,132 and an all-moneys mortgage of DKK ('000) 4,000 as mortgage on the land and buildings mentioned above.

Furthermore the company has issued an all-moneys mortgage (floating charge) of DKK ('000) 36,330 as security for debt to financial institutions. The security comprises inventories and trade receivables.

NOTES

Note

Related parties

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The company's related parties comprises the following:

Controlling interest

Chairman of the board, through the parent company Baader Poultry A/S.

Transactions with related parties

The company did not carry out any substantial transactions that were not concluded on market conditions.

	2015 DKK	2014 DKK '000	
Fee to auditors appointed by the General Meeting			15
Statutory audit.....	404.500	405	
Tax consultancy.....	26.000	25	
Other services.....	346.900	315	
	777.400	745	
 Staff costs			16
Average number of employees.....	293	264	
Wages and salaries.....	152.742.171	130.405	
Pensions.....	10.712.923	9.348	
Social security costs.....	1.219.265	1.062	
	164.674.359	140.815	
 Remuneration of management.....	2.510.982	481	
Remuneration of board of directors.....	10.000	10	
	2.520.982	491	