



TIL ERHVERVSSTYRELSEN

Fein Elektroværktøj Danmark A/S

Ved Faurgården 3C, 4300 Holbæk

CVR-nr. 24 21 01 97

Annual Report

January 1 - December 31, 2015

(16. accounting year)

The annual report are viewed and accepted at the company's Annual General Meeting ^{2/5} 2016.

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BOARD OF DIRECTORS' AND BOARD OF EXECUTIVES STATEMENT.

Board of directors and executives have today submit the annual report for 2015 of Fein Elektroværktøj Danmark A/S.

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

We consider the accounting policies used, such as the annual report gives a true and fair view of the assets and liabilities, the financial position and the results of its operations and its cash flow statements.

We recommend that the annual report is approved by the Annual General Meeting of Shareholders.

Holbæk, January 28, 2016

Board of Executives:

Mika Hämäläinen

Board of directors:

Richard Geitner
Chairman

Caroline Wicks-Schmitz

Janek Jaspaert

INDEPENDENT AUDITOR'S REPORT.

To the Shareholders of Fein Elektroværktøj Danmark A/S

We have audited the Annual Report of Fein Elektroværktøj Danmark A/S for the financial year January 1 - December 31, 2015, which comprise the Board of Directors and Board of Executives Statement on the Annual Report, a summary of significant accounting policies, income statement, balance sheet cash flow statement and notes. The Annual Report has been prepared in accordance with the Danish Financial Statement Act.

The Board of Directors and Board of Executives' Responsibility for the Annual Report and the Directors Report.

The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of this Annual Report and the Directors Report in accordance with the Danish Financial Statement Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of an Annual Report and a Directors Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Basis of Opinion.

Our responsibility is to express an opinion on this Annual Report and the Management's review 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 consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Report and the Managements review 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 Board of Directors and Board of Executives, as well as evaluating the overall presentation of the Annual Report and the Management's review.

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 Annual Report gives a true and fair view of the Company's financial position at December 31, 2015 and of the results of its operations and cash flow statement for the financial year January 1 - December 31, 2015 in accordance with the Danish Financial Statement Act.

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 Annual Report.

On this basis, it is our opinion that the information provided in the Management's review is consistent with the Annual Report.

Holbæk, January 28, 2016

REVISIONSFIRMAET FLEMMING HANSEN

Statsautoriseret revisionsaktieselskab



Flemming Hansen

State Authorised Public Accountant

COMPANY INFORMATION.

Company: Fein Elektroværktøj Danmark A/S
Ved Faurgården 3 C
4300 Holbæk

CVR.nr.: 24 21 01 97
Domicile: Holbæk
Financial year: January 1. - december 31.

Board of directors: Richard Geitner, chairman
Caroline Wicks-Schmitz
Janek Jaspaert

Board of Executives: Mika Hämäläinen

Auditor: Revisionsfirmaet Flemming Hansen
Statsautoriseret revisionsaktieselskab
Ahlgade 15-17
4300 Holbæk

Bank: Nordea Danmark A/S
Ahlgade 20-24
4300 Holbæk

MANAGEMENTS REVIEW.

Main Activity:

Fein Denmark's essential activity is to promote and sell the company's electric power tool products and accessories, which it manufactures and owns proprietary rights to, through its domestic wholesales and dealer network.

The development of the financial year 2015:

- Income after tax and nonrecurring items for the fiscal year was DKK (840,739).
- Improved profit margin from previous fiscal year.
- Organizational modifications to prepare for forthcoming strategy.

Fein Denmark finished with negative income before tax and nonrecurring items of DKK (1,102,101) for the 2015 fiscal year. In the first quarter the company's sales were at the level of 2014 year-on-year, but the previous year's low profit margin of the strategically fundamental product group forced the management to create a more effective pricing and discount structure. While these alterations improved the entity's revenues related to its costs it had, together with the required organizational changes, an undesirable impact on its overall sales volume throughout the three following quarters thus ending the year-end financial result in loss.

Notwithstanding the poor financial result in 2015, the management views the entity's prospects for the upcoming year optimistically based on the strategic adjustments accomplished in the past year, as well as Fein's newly developed and patented product proposition, which will be directed to the company's principal target market.

Subsequent incidents:

After the balance day there has not occurred noteworthy incidents that is valued as having material influence on the judgement on the financial statement.

ACCOUNTING POLICIES.

Basis of accounting:

The annual report have been prepared in accordance with the provisions of Danish Financial Statements Act applying to enterprises of reporting Class B together with specific elements for Class C.

The accounting policies are unchanged compared with previous years.

Recognition and measurement:

Revenues are recognised in the income statement as earned. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions.

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.

The carrying amounts of assets and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than expressed by depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

Income Statement:

Gross profit:

Gross profit are income from sale of goods less cost of goods sold. Income from the sale of goods held for sale and finished is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Furthermore expenses covering selling-, advertising-, and administration cost have been deducted to determine the gross profit.

ACCOUNTING POLICIES.

Depreciation:

Depreciation includes, depreciation and write-downs of the year on tangible fixed assets as well as profit and loss in connection with current replacement of fixed assets.

Financial items:

Financial income and expenses comprise interest, surcharges and allowances under the tax on account scheme.

Corporation tax and deferred tax:

Tax for the year consists of current tax for the year and deferred tax for the year. The tax relating to the result is included in the income statement, whereas the tax directly relating to equity entries is recognised directly to the equity.

Tax receivable and current tax liabilities are included in the balance sheet as debtors to the extent that too much has been paid and as current liabilities to the extent that no payment has been effected of this.

Deferred tax is included in the balance sheet as the tax on all temporary differences. The deferred tax is calculated at the tax rate applying at the time of realisation. The deferred tax is calculated at 22,0%.

The Company is jointly taxed with its Danish affiliated company. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes. The jointly taxed enterprises have adopted the on account taxation scheme.

Balance sheet:

Tangible fixed assets:

Equipment, fixtures and fittings are measured at cost price less accumulated depreciation.

Cost price comprises acquisition price and expenses directly related to the acquisition as well as expenses for set-up.

The depreciation is based on cost price:

Equipment, fixtures and fittings	3 - 10 years
Computers	3 - 5 years
Leasehold improvement	5 years

ACCOUNTING POLICIES.

Tangible fixed assets:

Assets with an acquisition price not exceeding DKK 12,800 per unit are included in the profit and loss account in the year of acquisition.

Gains and losses on the sale of fixed assets are determined at the difference of sales price less sales expenses and the book value at the time of sale. Gain and losses on the sale of fixed assets are recognised in the income statement under "Other operating income".

Financial fixed assets:

Deposits are valued at the contribution less recognised liability

Trade receivable:

In the balance sheet tradereceivable are measured at nominal value less provisions for bad debts. Provisions for bad debts are calculated on the basis of an individual assessment of the receivable.

Prepayments:

Prepayments under assets comprise costs incurred concerning subsequent accounting year.

Tax payable and deferred tax:

Current tax liabilities and current tax receivable are recognised in the Balance Sheet as tax calculated on the taxable income for the year adjusted for tax on previous years' taxable income and taxes paid on account/prepaid.

Deferred tax is measured in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases in which the statement of the tax is measured on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carried forward, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity an jurisdiction.

ACCOUNTING POLICIES.

Tax payable and deferred tax:

Deferred tax is measured on the basis of the tax rules and tax rates in force at the balance sheet date when the deferred tax is expected to be realised as current tax. Any changes in deferred tax as a consequence of amendments to tax rates are recognised in the Income Statement.

Liabilities:

Payables are measured at amortised cost corresponding to nominal value.

Translation of foreign currencies:

During the year transactions in foreign currencies are translated at the rate of exchange at the transaction date.

Accounts receivable, liabilities and other items in foreign currencies which are unsettled at the balance sheet date are translated at the exchange rate at the balance sheet date.

Cash flow statement:

The cash flow statement of the company is prepared according to the indirect method based on the income statement for the year.

The cash flow statement shows the company's cash flows for the period broken down by operating, investing and financing activities and the impact of these cash flows on cash and cash equivalents for the year.

Cash flows from operating activities are stated as the income statement of the company adjusted for non-cash operating items such as depreciation and write-down, provisions and changes in working capital, interest received and paid, extraordinary expenses paid and corporation tax paid.

Cash flows from investing activities comprise cash flows from the purchase and sale of tangible and financial fixed assets.

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

INCOME STATEMENT FOR THE PERIOD JANUARY 1 - DECEMBER 31, 2015.

	notes	2015 DKK	2014 in 1,000 DKK
GROSS PROFIT		2,696,260	2,626
Staff expenses	1	(3,688,818)	(2,984)
Depreciation		<u>(68,096)</u>	<u>(256)</u>
PROFIT/LOSS BEFORE FINANCIAL ITEMS		(1,060,654)	(614)
Financial income		2,278	16
Financial expenses		<u>(43,725)</u>	<u>(31)</u>
PROFIT/LOSS BEFORE TAX		(1,102,101)	(629)
Tax on profit/loss for the year	2	<u>(261,362)</u>	<u>(144)</u>
<u>NET PROFIT/LOSS FOR THE YEAR</u>		<u>(840,739)</u>	<u>(485)</u>
Result at disposal:			
Retained earnings January 1, 2015		3,031,883	3,517
Dividend 2015		(2,238,210)	0
Loss for the year		<u>(840,739)</u>	<u>(485)</u>
<u>RETAINED EARNINGS DECEMBER 31, 2015</u>		<u>(47,066)</u>	<u>3,032</u>

BALANCE SHEET DECEMBER 31, 2015.

	notes	2015 DKK	2014 in 1,000 DKK
ASSETS:			
Equipment, fixtures and fittings		31,359	68
Leashold improvements		9,155	26
TANGIBLE FIXED ASSETS	3	<u>40,514</u>	<u>94</u>
Deposits		142,500	143
FINANCIAL FIXED ASSETS	4	<u>142,500</u>	<u>143</u>
TOTAL FIXED ASSETS		<u>183,014</u>	<u>237</u>
Goods for resale		378,863	0
INVENTORIES		<u>378,863</u>	<u>0</u>
Trade receivable		1,936,715	2,921
Receivables affiliated companies		270,445	153
Other receivables		7,170	0
Deferred tax asset	5	34,012	43
Prepayments		67,999	76
RECEIVABLE		<u>2,316,341</u>	<u>3,193</u>
CASH AT BANK AND IN HAND		<u>3,379,304</u>	<u>4,381</u>
TOTAL CURRENT ASSETS		<u>6,074,508</u>	<u>7,574</u>
TOTAL ASSETS		<u><u>6,257,522</u></u>	<u><u>7,811</u></u>

BALANCE SHEET DECEMBER 31, 2015.

	notes	2015 DKK	2014 in 1,000 DKK
<u>LIABILITIES AND SHAREHOLDERS' EQUITY:</u>			
Share capital	6	1,150,000	1,150
Retained earnings	7	(47,066)	3,032
<u>TOTAL SHAREHOLDERS' EQUITY</u>		<u>1,102,934</u>	<u>4,182</u>
Amounts due to group companies	8	2,628,715	1,136
Trade payables		240,357	46
Other payables		<u>2,285,516</u>	<u>2,447</u>
<u>SHORT TERM LIABILITIES</u>		<u>5,154,588</u>	<u>3,629</u>
<u>TOTAL LIABILITIES</u>		<u>5,154,588</u>	<u>3,629</u>
<u>TOTAL LIABILITIES AND EQUITY</u>		<u>6,257,522</u>	<u>7,811</u>
Commitments and guarantees	9		

CASH FLOW STATEMENT.

	2015 <u>DKK</u>	2014 in <u>1,000 DKK</u>
Profit for 2015 before financial items	(1,060,654)	(614)
Depreciation for the year	68,096	198
Change in inventories	(378,863)	82
Change in receivable	867,993	(6)
Change in liabilities, exclusive of accrued tax	33,086	904
Change in amounts due to group companies	<u>1,492,864</u>	<u>424</u>
MOVEMENT OF FUNDS FROM OPERATIONS		
BEFORE FINANCIAL ITEMS	1,022,522	988
Other financial income	(41,447)	(15)
Joint tax contribution	270.445	0
Divident	<u>(2,238,210)</u>	<u>0</u>
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(986.690)</u>	<u>973</u>
Purchase of tangible fixed assets	<u>(14,981)</u>	<u>(33)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>(14,981)</u>	<u>(33)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(1,001,671)	940
Cash and cash equivalents January 1, 2015	<u>4,380,975</u>	<u>3,441</u>
<u>CASH AND CASH EQUIVALENTS DECEMBER 31, 2015</u>	<u><u>3,379,304</u></u>	<u><u>4,381</u></u>

NOTES.

	2015 <u>DKK</u>	2014 in <u>1,000 DKK</u>
<u>Note 1. Staff expenses:</u>		
Wages and salaries	3,405,013	2,768
Pensions	257,441	173
Other costs to social security	<u>26,364</u>	<u>43</u>
	<u><u>3,688,818</u></u>	<u><u>2,984</u></u>
Average number of employees during the accounting year	<u>10</u>	<u>9</u>
<u>Note 2. Tax on profit for the year:</u>		
Joint tax contribution	(270,445)	(152)
Change in deferred tax for the year	<u>9,083</u>	<u>8</u>
	<u><u>(261,362)</u></u>	<u><u>(144)</u></u>
<u>Note 3. Tangible fixed assets:</u>		
	Equipment, fixtures and <u>fittings</u>	Leasehold improve- <u>ments</u>
Cost price January 1, 2015... ..	1,405,333	81,564
Additions during the year	14,983	0
Disposals during the year	<u>(199,000)</u>	<u>0</u>
Total cost price December 31, 2015	<u>1,221,316</u>	<u>81,564</u>
Depreciation January 1, 2015	1,337,175	56,096
Depreciation during the year	51,782	16,313
Depreciation concerning disposals	<u>(199,000)</u>	<u>0</u>
Total accumulated depreciation December 31, 2015	<u>1,189,957</u>	<u>72,409</u>
Net book value December 31, 2015	<u><u>31,359</u></u>	<u><u>9,155</u></u>

NOTES.

Note 4. Financial fixed assets:

	<u>Deposits</u>
Cost price January 1, 2015	142,500
Addition during the year	0
Disposals during the year	<u>0</u>
Total cost price December 31, 2015	<u>142,500</u>
Depreciation January 1, 2015	0
Depreciation during the year	0
Depreciation concerning disposals	<u>0</u>
Total accumulated depreciation December 31, 2015	<u>0</u>
Net book value December 31, 2015	<u><u>142,500</u></u>

	2015 <u>DKK</u>	2014 in <u>1,000 DKK</u>
<u>Note 5. Deferred tax asset:</u>		
Calculated tax asset	34,012	43
Write down to assessed value	<u>0</u>	<u>0</u>
Carrying amount	<u><u>34,012</u></u>	<u><u>43</u></u>

Note 6. Share capital:

Share capital December 31, 2015	<u><u>1,150,000</u></u>	<u><u>1,150</u></u>
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The share capital amounts to DKK 1,150,000 distributed on shares of a nominal amount of DKK 1,000 or multiples hereof. No shares have special rights.

Note 7. Retained earnings:

Retained earnings January 1, 2015	3,031,883	3,517
Retained earnings referring to appropriation account	(840,739)	(485)
Dividend 2015	<u>(2,238,210)</u>	<u>0</u>
Retained earnings December 31, 2015	<u><u>(47,066)</u></u>	<u><u>3,032</u></u>

NOTES.

	2015	2014 in
	<u>DKK</u>	<u>1,000 DKK</u>
<u>Note 8. Amounts due to group companies:</u>		
Trade debt, C. & E. Fein GmbH	<u>2,628,715</u>	<u>1,136</u>
	<u>2,628,715</u>	<u>1,136</u>

Note 9. Commitments and guarantees:

Lease:

The company has entered into operational lease and rent commitments, amounting to DKK 708,990.

Tax:

The company unlimited joint and serveal with the other Group companies for tax on the Group's Danish jointly taxed income and some potential with holding taxes as dividend tax and royalty tax.

