

SPX FLOW TECHNOLOGY DANMARK A/S

Pasteursvej 1
8600 Silkeborg

Årsrapport
1. januar 2015 - 31. december 2015

Årsrapporten er fremlagt og godkendt på
selskabets ordinære generalforsamling den

30/05/2016

Ulrik Friis
Dirigent

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Virksomhedsoplysninger

Virksomheden	SPX FLOW TECHNOLOGY DANMARK A/S Pasteursvej 1 8600 Silkeborg Telefonnummer: 89228922 Fax: 70278335 e-mailadresse: casper.jensen@spxflow.com CVR-nr: 24730018 Regnskabsår: 01/01/2015 - 31/12/2015
Revisor	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S DK Danmark CVR-nr: 33963556 P-enhed: 1017192430

Ledelsespåtegning

The Board of Directors and the Executive Board have today considered and approved the annual report of SPX Flow Technology Danmark A/S (the "Company") for the financial 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 results of operations for the financial year 1 January - 31 December 2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Silkeborg, den 30/05/2016

Direktion

Michael Vembye

Bestyrelse

Jan Okholm Sørensen

Ole Løkke Leth

Didde Nonbo Kristiansen

Jeremy Wade Smeltser

Stephen Athan Tsoris
Chairman

Den uafhængige revisors erklæringer

To the shareholders of SPX Flow Technology Danmark A/S

Påtegning på årsregnskabet

We have audited the financial statements of SPX Flow Technology Danmark 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, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Ledelsens ansvar for årsregnskabet

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.

Revisors ansvar

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 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 audit opinion.

Our audit has not resulted in any qualification.

Konklusion

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 and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Erklæringer i henhold til anden lovgivning og øvrig regulering

Supplerende oplysninger vedrørende andre forhold

The Company has violated the provisions of the Danish Electricity Tax Act governing re-payment of electricity taxes. Consequently, the Company has been imposed a fine by the Danish tax authorities. The fine has been paid. Subsequently, the Company has informed us that its business procedures and registrations have been adjusted to meet the provisions of the Danish Electricity Tax Act.

Udtalelse om ledelsesberetningen

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, 30/05/2016

Max Damborg
State Authorised Public Accountant
Deloitte Statsautoriseret Revisionspartnerselskab
CVR: 33963556

Ledelsesberetning

Management commentary

Primary activities

SPX Flow Technology Danmark A/S (the "Company") is part of the Food & Beverage (engineering activity) and Industrial (production activity) segments of SPX FLOW based in Charlotte, North Carolina, U.S.

The Company provides innovative process solutions (the Engineering activity), products, spares and services for the global food, pharmaceutical, marine and chemical industries. Plate heat exchangers are produced at the Company's factory in Kolding (the Production activity).

As part of SPX FLOW, the Company combines expertise in process technology, selected products and automation systems.

The Company offers a wide range of services, with the goal of providing optimal support to maximise customer plant performance and thereby obtain a higher return on the invested capital for customers.

Market review

The Company is a leading global supplier of engineered flow components, process equipment, turn-key systems and related aftermarket parts and services.

By knowledge sharing within innovation, commercial sales, execution, production and aftermarket services we serve multi-national, regional and local customers with our strong brands and high quality products globally.

Development in the financial year

The gross profit for 2015 has improved compared to prior year. The main reason for this is better execution of large project orders.

In October 2015 it was announced that manufacturing of plate heat exchanges in Kolding was to be ceased during 2016. Future production of plate heat exchangers will take place in Poland and China, whereas the future Kolding operation will continue supporting the current customer base. Total of 86 employees will be terminated during 2016. The plate heat exchangers are designed and produced in a number of different applications for a wide range of industries and marine purposes, primarily the food, process, chemical and marine industries. This step is a Strategic Enterprise initiative to strength our manufacturing capability.

At the end of 2015 the Company acquired freeze drying activities (E&E) from its sister company in Germany. Costs in connection with the acquisition of DKK 14.7m have been expensed. The E&E technology was successfully integrated in the Global Design Center in Soeborg.

SPX FLOW has an overall goal of optimizing the process in selected functions through the use of "shared services" which are centrally located and cross-functional by region.

Outline of the year – and follow-up on past years' expected development

The Company realized a slightly lower revenue than the previous year.

Compared to last year, the net loss decreased significantly, due to better execution of projects. Costs of DKK 24m related to the reorganization of the manufacturing activities has been included in the 2015 financial statement.

Operating results have increased from DKK -43.0m to DKK -7.6m.

Loss for the year totals DKK 1.5m. The result is poorer than expected and is not considered satisfactory.

Uncertainties in the recognition and measurement

The activities of the Engineering facility are characterized by a number of ongoing projects of various size and complexity. Work in progress is recognized at estimated sales value calculated on the basis of the assessed degree of completion among others. The determination of the sales value is based on an estimate, and therefore there is uncertainty in the measurement.

Also, the Company is a party in matters based on legal disputes. On the determination of any liabilities or damages, significant estimates are involved. Management believes that the annual report reflects the best estimate of liabilities.

Capital position and resources

The Company's equity amounts to DKK 317.3m. resulting in an equity ratio of 34.9%. Management sees the current capital as sufficient.

Particular risks

Operations

Based on recent years' negative experience from a few large projects, the Company has focused on ensuring

a better understanding of their related risks. The Company has also worked in a structured manner to reduce these risks before the conclusion of such contracts. An important part of this work is to ensure sustainable resources for commissioning of these projects either through employments or temporary contracts. The Company still has a number of projects in progress that are naturally affiliated with a number of risks of both an operational and contractual nature. As a result, the work to improve existing processes will continue.

Management believes that adequate provisions have been made for both operational risks and current contractual disputes.

Market risks

The Company's activities are still affected by the turbulence in global financial markets, which reduces customers' willingness to invest. Our 2015 result and 2016 expectations reflect the impact of the challenging economic environment and cyclical downturn in our key end markets. In 2016, SPX FLOW does not anticipate any meaningful recovery across our key end markets.

Exchange rate risk

The Company aims to reduce exchange rate risks through trading in EUR. For trades settled in USD, the Company attempts to hedge the exchange rate risk by purchasing and incurring other expenses in USD. Other exchange rate transactions are optimised at the SPX Flow level and are not a separate discipline for the Company.

Credit risk

The Company is not exposed to any major risks from a single customer or business partner. It is Company policy to rate and hedge all large customers through prepayments or other security.

Strategy and objectives

SPX FLOW has in Q1 2016 launched a global cost reduction initiative targeting USD 110m reduction in cost structure by end of 2017.

The Company supports SPX FLOW Strategic Enterprise initiatives:

See the world through our customers eyes

Execute better than anybody else

Create a great place to work

Workstreams for 2016 are as follows:

Build intimate customer relationships and grow market share

Realign global footprint

Streamline organization and business processes

Improve working capital performance

Engage and develop employees

SPX FLOW is expanding where we see growth opportunities and need critical mass and the Company will support these initiatives.

Objectives and expectations for the coming year

Our 2015 result and 2016 expectations reflect the impact of the challenging economic environment and cyclical downturn in our key end markets. In 2016, SPX FLOW does not anticipate any meaningful recovery across our key end markets.

The Company is focused on building intimate, long-term partnerships with our customers, simplifying our cost structure and business model, consistently with the 2016 SPX FLOW Strategic Enterprise initiatives and workstreams.

For 2016, the expected operating profit is at a level between DKK 10m – DKK 15m.

Development activities

Research and Development activities are conducted in the Global Design Centre business units. New upgrades and improvements of our strong brand portfolio are launched continuously. The development activities are co-ordinated with activities in other SPX Flow Technology companies which provide increased advantages as to execution support and market introduction of new products.

Knowledge resources

The Company is continuously working on maintaining and developing required competencies. In addition, the Company will benefit from access to a high level of knowledge from other parts of SPX Flow Technology and other SPX Flow companies in order to minimise knowledge risk.

Environmental performance

The Company will continue its effort regarding the environment, health and safety to continuously improve staff conditions, to minimise any environmental impact from the Company's activities, as well as to

strengthen its profile with customers and the local community.

ISO

The Company has in Q3 2015 successfully completed re-certification of ISO 9001/2008.

Events after the balance sheet date

In Q1 2016 the engineering facility announced restructuring initiatives resulting in reduction of the staff by approximately 30 employees due to our 2015 result and 2016 expectations. Costs relating to this are included in the 2016 profit/loss. Other than this, no events have occurred after the balance sheet date that would influence the view of the income statement and/or balance sheet or require additional disclosure in the notes.

Hoved- og nøgletal

	2015	2014	2013	2012	2011
	mio kr.	mio kr.	mio kr.	mio kr.	mio kr.
Key figures					
Revenue	1.303,5	1.406,6	1.472,1	1.274,2	1.385,8
Gross profit	296,8	226,3	164,6	144,9	285,1
Operating profit/loss	-7,6	-43,0	-95,9	-80,8	46
Net financials	-2,1	-2,1	1,5	5,6	-2,0
Net profit/loss for the year	-1,5	-24,9	-94,8	-75,2	44,1
Balance sheet total	908,8	946,6	1.023,0	1.037,4	1.105,3
Investment in tangible fixed assets	6,2	4,2	3,3	20,3	55,7
Equity	317,3	318,8	343,7	438,5	513,6
Gross margin	22,8 %	16,1 %	11,2 %	11,4 %	20,6 %
Equity ratio	34,9 %	33,7 %	33,6 %	42,3 %	46,5 %
Gennemsnitligt antal ansatte	538	563	586	648	644

Redegørelse for den kønsmæssige sammensætning af ledelsen

Gender composition in management positions

The Board of Directors of SPX Flow Technology Danmark A/S has adopted the following policies on and objectives for the underrepresented gender in management positions:

Target figures for the underrepresented gender in the Board of Directors

Competences, international experience and diversity are taken into account when nominating new members to the Board of Directors of SPX Flow Technology Danmark A/S. The Board of Directors is appointed by the shareholder, subject to local law. It is the objective of SPX Flow Technology Danmark A/S to continuously have one female board member on the board thus complying with public Danish legislation.

Target figures for the underrepresented gender at other management levels

Other management levels at SPX Flow Technology Danmark A/S consist of the corporate management team and the Danish management team. The policy is to ensure that the number of female representatives in the general management is at any time not lower than the representation of females in general in the company. The target is a female vs. male managers split at 25% / 75% by January 1, 2018. It is the intention to take gender considerations as well as qualifications into account in conjunction with appointments for management positions.

It is the overall SPX Flow policy to hire the most qualified person for the job. Overall employment selection and all other employment decisions are made without regard to race, color, religion, national origin, gender, disability, age, veteran status, or any other reason prohibited by law.

However in order to meet the objective of this local policy, including increasing the number of female managers, the following number of initiatives are taken to increase the number of female job applicants and hence the pool of qualified female candidates:

Encouragement of both female and male candidates to apply for all positions specified in all internal and external job ads.

Minimum market conditions related to maternity leave/parental leave.

Defined that for all open management positions the field of candidates shall consist of candidates from both genders if candidates from both genders have applied and have the necessary qualifications.

When external recruiting vendors are used for recruiting management positions they will be asked to search for and present relevant candidates of both genders.

Apart from the above the Company has not prepared or implemented further policies for corporate social responsibility.

Anvendt regnskabspraksis

Årsrapporten er aflagt i overensstemmelse med årsregnskabslovens bestemmelser for Regnskabsklasse C, stor virksomhed.

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

Referring to section 112(2 and 3) of the Danish Financial Statements Act, SPX Flow Technology Danmark A/S has not prepared any consolidated financial statements. According to the Financial Statements Act § 86 paragraph. 4, the Company has also not prepared a cash flow statement, but a consolidated cash flow statement has been prepared by SPX Flow.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Income is recognized in the income statement when earned, whereas costs are recognized by the amounts attributable to this financial year.

Assets are recognized in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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.

Foreign currency transactions and translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using transaction day rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Goodwill is considered as belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognized directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. Income statement transactions are translated at the average rates of the months; however, transactions derived from non-monetary assets and liabilities are translated using the transaction day rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognized under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognized asset or a recognized liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognized directly in equity. When the hedged transactions are realised, the accumulated changes are recognized as part of the cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognized currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments obtained for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognized in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognized net of VAT, duties and sales discounts and is measured at the fair value of the consideration to be received.

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 percentage-of-completion method).

Cost of sales

Cost of sales comprises direct and indirect costs incurred to earn revenue. In cost of sales, commercial businesses recognise consumption of goods whereas manufacturing businesses recognise costs of raw materials, consumables and production staff as well as depreciation.

Cost of sales concerning contract work in progress is recognized as incurred.

Cost of sales also includes research costs, costs of development projects that do not meet the criteria for recognition in the balance sheet, and amortization of recognized development projects. In addition, provisions for losses on contract work in progress are recognized.

Distribution costs

Distribution costs comprise costs incurred for distribution of goods sold and also for sales campaigns, including costs for sales and distribution staff, advertising costs as well as depreciation and amortization.

Administrative expenses

Administrative expenses comprise expenses incurred for management and administration of the Company, including expenses for the administrative staff and Management, stationery and office supplies as well as depreciation and amortization.

Financial income and expenses

These items comprise interest income and expenses, the interest portion of finance lease payments, interest on payables and transactions in foreign currencies.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly to equity. The portion of tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value, either as an offset against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with all of its wholly owned Danish subsidiaries. Current Danish income tax is allocated among the jointly taxed companies proportionally to their tax-able income (full allocation with a refund concerning tax losses).

A deferred tax asset can be computed based on the Company's tax loss. This contingent asset is not recognized in the balance sheet, as the tax loss is not expected to be utilised within the foreseeable future.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortization period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and

a long-term earnings profile if the longer amortization period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Other Intangible assets

Know-how is recognized as an asset in connection with acquisitions as an identifiable asset in connection with the purchase price. Know-how is amortized linearly over the estimated useful life determined on the basis of management expectations for the acquired Company. The amortization period is usually 5 years, but may in some cases represent up to 20 years for strategic acquisitions if the longer amortization period is considered to better reflect the value of that asset. Amortization on know-how is recognized in income during production and project costs.

Licenses and other intangible assets are recognized as assets in connection with acquisitions as an identifiable asset in connection with the purchase price. Licenses and other intangible assets are amortized linearly over the estimated useful lives and are determined based on management's expectations for the acquired Company. The amortization period reflects management's assessment of the useful life of the asset and accounts for 2.5 years.

Amortization on the back-log is recognized in income during production and project cost, while amortization of purchased licenses is recognized in income under selling expenses.

Property, plant and equipment

Leasehold improvements, plant and machinery as well as other fixtures and fittings and tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation. For Company-manufactured assets, cost comprises direct and indirect costs of materials, components, sub suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and the present value of future lease payments.

Interest expenses on loans for financing the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other financing costs are recognized in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	5-10 years
Plant and machinery	3-20 years
Other fixtures and fittings, tools and equipment	3-10 years

Property, plant and equipment are written down to the lower of the recoverable amount or carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale. Profits or losses are recognized in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Investments in subsidiaries

Investments in subsidiaries are recognized at cost. Dividends are recognized in the income statement when declared.

If the acquisition price exceeds the fair market value of the capital investment, it is written down to the specific lower value. Any payment of dividends exceeding the total net income in the subsidiaries since the acquisition of capital shares is considered as an indication of impairment.

Subsidiaries with negative equity are measured at DKK 0, and any receivable from these enterprises is written down by the Company's share of the negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the receivable, the remaining amount is recognized under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realizable value.

Cost of goods for resale, raw materials and con-sumables consists of purchase price plus landing costs. Cost of manufactured goods and work in progress consists of costs of raw materials, con-sumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation and impairment losses on machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute the sale.

Contract work in progress

Contract work in progress with an estimated period less than 3 months is measured at cost plus production overheads.

Other contract work in progress is measured at the selling price of the work carried out at the balance sheet date less reservations. The value is calculated on the basis of the stage of completion at the balance sheet date and the total expected income from the contract in question. The stage of completion is calculated on the basis of the costs incurred relative to the expected total costs.

Write-downs for losses are calculated as the total expected loss on the contract irrespective of the stage of completion.

The value of the individual contracts, less prepayments, is classified under 'Receivables' if the amounts are positive and under 'Payables' if the amounts are negative.

Costs of sales work and of securing contracts as well as financing costs are recognized in the income statement as incurred.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Dividends

Dividends are recognized as a liability at the time of declaration at the general meeting. The proposed dividends for the financial year are disclosed as a separate item in equity.

Provisions

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Other provisions comprise anticipated loss on contract work in progress, decided and published restructu-rings, etc.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Lease commitments

Lease commitments relating to assets held under finance leases are recognized in the balance sheet as liabilities other than provisions and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognized in the income statement as a financial expense over the term of the leases.

Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise received income for recognition in subsequent financial years. Prepayments are measured at cost.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios

Calculation formula

$$\text{Gross margin (\%)} = \frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

$$\text{Equity ratio (\%)} = \frac{\text{Equity} \times 100}{\text{Total assets}}$$

Segment information

The Company operates within two business segments, engineering business and production business. The revenue on these segments and on geographical segments is shown in note 2.

Resultatopgørelse 1. jan 2015 - 31. dec 2015

	Note	2015 kr.	2014 kr.
Nettoomsætning	1	1.303.460.000	1.406.626.000
Produktionsomkostninger		-1.006.677.000	-1.180.322.000
Bruttoresultat		296.783.000	226.304.000
Distributionsomkostninger		-140.677.000	-137.712.000
Administrationsomkostninger		-163.683.000	-131.578.000
Resultat af ordinær primær drift		-7.577.000	-42.986.000
Indtægter af kapitalandele i tilknyttede og associerede virksomheder	2	-776.000	9.296.000
Andre finansielle indtægter	3	-2.107.000	-2.127.000
Ordinært resultat før skat		-10.460.000	-35.817.000
Skat af årets resultat	4	8.969.000	10.945.000
Årets resultat		-1.491.000	-24.872.000
Forslag til resultatdisponering			
Overført resultat		-1.491.000	-24.872.000
I alt		-1.491.000	-24.872.000

Balance 31. december 2015

Aktiver

	Note	2015 kr.	2014 kr.
Erhvervede licenser			281.000
Erhvervede lignende rettigheder		73.240.000	81.773.000
Goodwill		90.296.000	98.583.000
Immaterielle aktiver i alt	5	163.536.000	180.637.000
Produktionsanlæg og maskiner		61.293.000	72.502.000
Andre anlæg, driftsmateriel og inventar		12.000	33.000
Indretning af lejede lokaler		10.651.000	13.482.000
Materielle aktiver under udførelse		1.551.000	1.140.000
Materielle aktiver i alt	6	73.507.000	87.157.000
Kapitalandele i tilknyttede virksomheder		179.203.000	179.203.000
Andre værdipapirer og kapitalandele		2.500.000	2.500.000
Finansielle aktiver i alt	7	181.703.000	181.703.000
Langfristede aktiver i alt		418.746.000	449.497.000
Råvarer og hjælpematerialer		18.805.000	20.336.000
Varer under fremstilling		51.331.000	47.730.000
Fremstillede varer og handelsvarer		23.159.000	23.398.000
Varebeholdninger i alt		93.295.000	91.464.000
Tilgodehavender fra salg og tjenesteydelser		98.238.000	100.270.000
Igangværende arbejder for fremmed regning	8	84.492.000	80.594.000
Tilgodehavender hos tilknyttede virksomheder		106.896.000	141.363.000
Andre tilgodehavender	9	42.361.000	23.639.000
Tilgodehavender i alt		331.987.000	364.162.000
Likvide beholdninger		64.753.000	41.464.000
Kortfristede aktiver i alt		490.035.000	497.090.000
Aktiver i alt		908.781.000	946.587.000

Balance 31. december 2015

Passiver

	Note	2015 kr.	2014 kr.
Registreret kapital mv.	10	221.000.000	221.000.000
Overført resultat		96.294.000	97.785.000
Egenkapital i alt		317.294.000	318.785.000
Andre hensatte forpligtelser		16.110.000	12.822.000
Langfristede forpligtelser i alt	11	16.110.000	12.822.000
Modtagne forudbetalinger fra kunder		158.414.000	212.219.000
Leverandører af varer og tjenesteydelser		102.489.000	108.390.000
Gældsforpligtelser til tilknyttede virksomheder		214.398.000	193.056.000
Skyldig selskabsskat			208.000
Anden gæld, herunder skyldige skatter og skyldige bidrag til social sikring	12	100.076.000	101.107.000
Kortfristede forpligtelser i alt		575.377.000	614.980.000
Forpligtelser i alt		591.487.000	614.980.000
Passiver i alt		908.781.000	946.587.000

Egenkapitalopgørelse 1. jan 2015 - 31. dec 2015

	Registreret kapital mv. kr.	Overført resultat kr.	I alt kr.
Egenkapital, primo	221.000.000	97.785.000	318.785.000
Årets resultat		-1.491.000	-1.491.000
Egenkapital, ultimo	221.000.000	96.294.000	317.294.000

Noter

1. Nettoomsætning

Revenue	2015	2014
Europe	921,063,000	940,273,000
Asia	258,859,000	287,662,000
The Middle East	24,547,000	23,402,000
Americas	63,654,000	109,588,000
Others	35,337,000	45,701,000
	1,303,460,000	1,406,626,000
Engineering business	977,719,000	1,020,250,000
Production business	325,741,000	386,376,000
	1,303,460,000	1,406,626,000

2. Indtægter af kapitalandele i tilknyttede og associerede virksomheder

	2015 kr.	2014 kr.
Dividends from subsidiaries	0	16.623.000
Write downs	-776.000	-7.327.000
	-776.000	9.296.000

3. Andre finansielle indtægter

	2015	2014
Interest income	1.000	201.000
Exchange rate adjustment	(688.000)	(628.000)
Interest expenses	(142.000)	(216.000)
Interest expenses, group enterprises	(1.278.000)	(1.484.000)
	(2.107.000)	(2.127.000)

4. Skat af årets resultat

	2015	2014
	kr.	kr.
Current tax	5.354.000	0
Tax oaid in other countries	-1.045000	-906.000
Prior year adjustments	4.660.000	11.851.000
	8.969.000	10.945.000

5. Immaterielle aktiver i alt

	Acquired patents. kr.
Cost, beginning of year	844.000
Additions	0
Disposals	0
Cost, end of year	844.000
Impairment and depreciation, beginning of year	-563.000
Amortization and impairment in the year	-281.000
Impairment and depreciation, end of year	-844.000
Carrying value, end of year	0
	Acquired other similar rights kr.
Cost, beginning of year	119.460.000
Additions	0
Disposals	0
Cost, end of year	119.460.000
Impairment and depreciation, beginning of year	-37.687.000
Amortization and impairment in the year	-8.533.000
Impairment and depreciation, end of year	-46.220.000
Carrying value, end of year	73.240.000

	Goodwill kr.
Cost, beginning of year	131.572.000
Additions	0
Disposals	0
Cost, end of year	131.572.000
Impairment and depreciation, beginning of year	-32.989.000
Amortization and impairment in the year	-8.287.000
Impairment and depreciation, end of year	-41.276.000
Carrying value, end of year	90.296.000
	Licenses, etc kr.
Cost, beginning of year	18.689.000
Additions	0
Disposals	0
Cost, end of year	18.689.000
Impairment and depreciation, beginning of year	-18.689.000
Amortization and impairment in the year	0
Impairment and depreciation, end of year	-18.869.000
Carrying value, end of year	0

6. Materielle aktiver i alt

	Plant and Machiney kr.
Cost, beginning of year	271,453,000
Additions	0
Disposals	0
Cost, end of year	271,453,000
Impairment and depreciation, beginning of year	-198,951,000
Depreciation and impairment in the year	-16,089,000
Depreciation on assets disposed of	490,000
Impairment and depreciation, end of year	-214,550,000
Carrying value, end of year	61,293,000

	Fixtures, fittings, tools and equipment kr.
Cost, beginning of year	25,716,000
Additions	0
Disposals	0
Cost, end of year	25,716,000
Impairment and depreciation, beginning of year	-25,683,000
Amortization and impairment in the year	-21,000
Impairment and depreciation, end of year	-25,704,000
Carrying value, end of year	12,000
	Leasehold improvements kr.
Cost, beginning of year	38,944,000
Additions	0
Disposals	0
Cost, end of year	38,944,000
Impairment and depreciation, beginning of year	-25,462,000
Amortization and impairment in the year	-2,831,000
Impairment and depreciation, end of year	-28,293,000
Carrying value, end of year	10,651,000
	Fixed assets in progress kr.
Cost, beginning of year	1,140,000
Additions	411,000
Disposals	0
Cost, end of year	1,551,000
Impairment and depreciation, beginning of year	0
Amortization and impairment in the year	0
Impairment and depreciation, end of year	0
Carrying value, end of year	1,551,000

7. Finansielle aktiver i alt

	Investments in group enterprises kr.	Other investments kr.
Cost, beginning of year	194,059,000	2,500,000
Increase		0
Decrease	-14,856,000	0
Cost, end of year	179,203,000	2,500,000
Net revaluations, beginning of year	-14,856,000	0
Revaluations relating to disposals	14,856,000	0
Net revaluations, end of year	0	0
Carrying value, end of year	179,203,000x	2,500,000

Investments in group enterprises include:

	Ownership	Equity	Profit (loss)
APV Middle East Ltd. Saudi Arabia (2014)	75%	DKK 32,765,000	DKK 14,044,000
SPX Flow Technology Copenhagen A/S (2014)	100%	DKK 193,783,000	DKK 23,944,000

8. Igangværende arbejder for fremmed regning

Direct costs	1,509,707,000	1,498,237,000
Additional costs and attributable profit margin	172,507,000	138,737,000
Contract work in progress	1,682,214,000	,636,974,000
Invoicing on account	(1,748,859,000)	(1,766,437,000)
Net	(66,645,000)	(129,463,000)
Net value in the balance sheet		
Included in Contract work in progress	83,197,000	80,594,000
Included in Prepayments from customers	(149,842,000)	(210,057,000)
Net	(66,645,000)	(129,463,000)

9. Andre tilgodehavender

	2015 kr.	2014 kr.
Other Receivables	29,373,000	23,639,000
Prepayments	12,988,000	18,296,000
	42,361,000	41,935,000

10. Registreret kapital mv.

Share capital consists of shares of DKK 1,000 or multiples thereof.

There has been no change in the share capital the past 5 years.

11. Langfristede forpligtelser i alt

	2015	2014
	kr.	kr.
Guarantee commitments		
Provisions for guarantees beginning year	5,907,000	10,692,000
Employed during the year	-5,138,000	-8,425,000
Allocated during the year	6,152,000	3,640,000
	6,921,000	5,907,000
Other provisions		
Other provisions beginning year	6,915,000	12,974,000
Employed during the year	-9,655,000	-6,791,000
Allocated during the year	11,929,000	732,000
	9,189,000	6,915,000

12. Anden gæld, herunder skyldige skatter og skyldige bidrag til social sikring

	2015	2014
	kr.	kr.
Wages and salaries, personal income taxes, social security costs, etc.	11,429,000	16,808,000
Provisions for holiday pay	46,421,000	49,340,000
Restructuring costs	556,000	4,119,000
VAT	9,753,000	5,760,000
Commission	4,801,000	4,836,000
Other costs payable	27,116,000	20,244,000
	100,076,000	101,107,000

13. Oplysning om usikkerhed ved indregning og måling

The annual report is prepared under various assumptions involving accounting estimates. These estimates are made by Management in accordance with accounting policies and based on historical experience and assumptions which management considers to be sound and reasonable. The areas involving a high degree of assessment and complexity, and areas where assumptions and estimates are significant to the accounts are as follows:

- The Company has recognized goodwill and know-how for a total of kDKK 153,846 in connection with the acquisition of the Anhydro activity in 2010. Goodwill and know-how are amortised over their expected lifetime. Additionally, a regular evaluation is made to determine any indication for the need to write-down the value of the assets. The assessment of any need to write-down the value is naturally subject to a certain degree of uncertainty.
- The Company has included work in progress with expected sales value in relation to the project's degree of completion, less on account invoicing. The Company has work in progress, spreading over several accounting periods. Unforeseen future circumstances may thus affect the measurement of such works both positively and negatively. The Company's work in progress estimated at gross sales value is kDKK 1,682,214 per. 31.12.2015.

14. Oplysning om eventualforpligtelser

Rental and lease commitments	2015	2014
Annual lease payments do not exceed	3,613,000	5,655,000
Total lease obligations amount to	5,944,000	83153,000
Annual rent payments do not exceed	19,614,000	19,592,000
Total rent obligations amount to	22,562,000	140,983,000

15. Oplysning om andre arrangementer som ikke er indregnet i balancen

Performance guarantees for contracts and consignments totalling DKK 166m have been issued.

16. Oplysning om ejerskab

Ownership

The Company has registered the following shareholders to hold more than 5% of the voting share capital or of the nominal value of the share capital:

SPX Denmark Holdings ApS, Østmarken 7, 2860 Søborg, Danmark.

Group relations

SPX Flow Technology Danmark A/S and subsidiaries are included in the consolidated financial statements of SPX Flow, USA.

A copy of the consolidated financial statements is available from www.spxflow.com.

17. Oplysning om udskudte skatteaktiver og forpligtelser

In addition to specific provisions, the Company is subject to usual guarantees on projects completed.

Normal risk of claims, aside from claims provided for, on performed projects are incumbent on the Company.

No deferred tax asset has been recognized in the annual report as Management has assessed that the utilization within a reasonable period of time of such tax asset is uncertain.

	2015	2014
	kr.	kr.
Deferred tax		
Intangible assets	8,594,000	12,978,000
Property, plant and equipment	-36,926,000	-46,605,000
Provisions	-3,544,000	-1,300,000
Tax loss carry forward	-92,363,000	-92,363,000
Valuation allowance	124,239,000	127,290,000
	0	0
Deferred tax beginning year	-127,290,000	-122,189,000
Change in deferred tax	3,051,000	-5,101,000
Deferred tax before valuation allowance	-124,239,000	-127,290,000
Valuation allowance	124,239,000	127,290,000
Deferred tax end year	0	0

Not recognized deferred tax amounts to DKK 124.2 million at 31 December 2015 (DKK 127.3 million 31 December 2014).

The Company has liquidated the subsidiary, APV Danmark A/S, by issuing a payment declaration in 2009 under which the Company will be liable for any claims potentially filed against APV Danmark A/S.

18. Information om revisors honorar

	2015	2014
	kr.	kr.
Fee for statutory audit services	2,009,000	2,268,000
Fee for non-audit services	179,000	100,000
	2,188,000	2,368,000

19. Information om gennemsnitligt antal ansatte

	2015	2014	
Production, project, sales and administrative expenses include the following staff costs:			
Wages and salaries	297.645.000	310.778.000	
Pension costs	20.353.000	21.125.000	
Other social security costs	7.182.000	7.387.000	
	325.180.000	339.290.000	
Remuneration for the Supervisory and Executive Boards	977.000	1.064.000	
		2015	2014
Gennemsnitligt antal ansatte		538	563

Text and tables are available for your layout (for some notes it is not possible to insert tabels).