

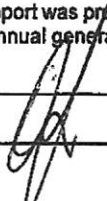
Wärtsilä Svanehøj A/S  
Fabriksparken 6  
9230 Svenstrup J

Telephone +45 96 37 22 00  
Svanehoj@wartsila.com



Wärtsilä Svanehøj A/S

## Annual report 2015

The annual report was presented and approved at the Company's annual general meeting	
on <u>23-5</u>	20 <u>16</u>
	
chairman	

CVR no. 25 89 50 10

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Operating review	7
Financial statements 1 January – 31 December	10
Accounting policies	10
Income statement	17
Balance sheet	18
Statement of changes in equity	20
Notes	21

## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Wärtsilä Svanekej A/S for the financial year 1 January – 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Svenstrup, 3 May 2016  
Executive Board:



Henrik Sørensen

### Board of Directors:



Timo Ensio Koponen  
Chairman




Bernd Bertram



Henrik Sørensen



Carsten Kristensen



Lau Halkjær



**KPMG**  
**Statsautoriseret Revisionspartnerselskab**  
Bredskifte Allé 13  
8210 Aarhus V  
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CVR no. 25 57 81 98

## **Independent auditor's report**

**To the shareholders of Wärtsilä Svanebjerg A/S**

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Wärtsilä Svanebjerg A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### ***Management's responsibility for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

## Independent auditor's report

### *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.

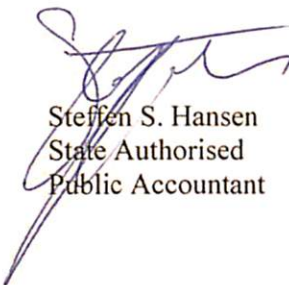
### **Statement on the Management's review**

In accordance with 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.

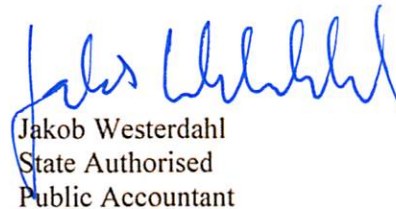
Aarhus, 3 May 2016

**KPMG**

Statsautoriseret Revisionspartnerselskab



Steffen S. Hansen  
State Authorised  
Public Accountant



Jakob Westerdahl  
State Authorised  
Public Accountant

## Management's review

### Company details

Wärtsilä Svanehøj A/S  
Fabriksparken 6  
9230 Svenstrup J

Telephone: +45 96 37 22 00  
Fax: +45 98 38 31 56  
E-mail: Svanehoj@wartsila.com  
CVR no.: 25 89 50 10  
Established: 13 November 1969  
Registered office: Aalborg  
Financial year: 1 January – 31 December

### Board of Directors

Timo Ensio Koponen, Chairman  
Bernd Bertram  
Henrik Sørensen  
Carsten Kristensen  
Lau Halkjær

### Executive Board

Henrik Sørensen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredstifte Allé 13  
8210 Aarhus V

### Annual general meeting

The annual general meeting will be held on 3 May 2016.

## Management's review

### Financial highlights

DKK'000	2015 (12 mos)	2014 (12 mos)	2013 (12 mos)	2012 (9 mos)	2011/12 (12 mos)
Revenue	527,737	402,792	248,479	175,464	208,645
Gross profit	184,600	137,586	86,016	55,389	66,261
Operating profit	128,927	87,947	44,238	29,062	31,432
Profit/loss from financial income and expenses	-861	-1,619	220	102	643
<b>Profit for the year</b>	<b>97,735</b>	<b>66,892</b>	<b>35,482</b>	<b>21,889</b>	<b>23,921</b>
<b>Total assets</b>	<b>286,534</b>	<b>339,237</b>	<b>224,108</b>	<b>198,801</b>	<b>196,296</b>
Investment in property, plant and equipment	3,547	4,590	3,070	2,800	4,199
<b>Equity</b>	<b>130,447</b>	<b>102,661</b>	<b>95,509</b>	<b>82,377</b>	<b>60,053</b>
Gross margin	35.0%	34.2%	34.6%	31.6%	31.8%
Return on invested capital	149.5%	68.9%	49.7%	40.8%	68.8%
Return on equity	83.9%	67.5%	39.9%	30.7%	40.0%
<b>Average number of full-time employees</b>	<b>171</b>	<b>147</b>	<b>122</b>	<b>104</b>	<b>91</b>

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

## **Management's review**

### **Operating review**

#### **Principal activities of the Company**

The Company designs, constructs, markets, sells and produces pumping systems and related products to the marine and offshore sectors.

The products are mainly sold on export markets. The Company is highly focused on increasing its market penetration within the offshore sector.

#### **Development in activities and financial position**

Profit for the year amounted to DKK 97.7 million, which is considered satisfactory.

A large project to the customer Ecovix, Brazil, has been recognised in the balance sheet. The project has been delayed due to a setback in the customer's construction schedule. However, it now seems it will start again in May 2016.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date that may influence the evaluation of this annual report.

#### **Outlook**

Profit for 2016 is expected to be down on 2015.

#### **Risks**

##### ***Foreign exchange risk***

Due to activities abroad, results and equity are affected by the development in exchange rates and interest rates with regard to numerous currencies. It is the Company's policy to hedge against commercial foreign exchange exposure. Hedging takes place by means of forward exchange contracts to cover expected sales and purchases arising from incoming orders. The Company does not enter into forward exchange contracts for speculative purposes.

#### **Intellectual capital**

The Company's objective is to supply high-technology products. This activity involves specific requirements in terms of intellectual capital, especially as regards product development as well as sales and order processing. There have been no problems in recruiting qualified staff, and in general, employee turnover is low.



## Management's review

### Operating review

#### Environmental matters

The Company's production of pumps does not materially affect the external environment and takes place in a manner ensuring compliance with current regulatory requirements.

The Company has been certified by Lloyd's Register Quality Assurance for the environmental management standard ISO 14001:2004, the health and safety management standard OHSAS 18001:2007 and the quality management standard ISO 9001:2008.

#### Research and development activities

The Company has its own R&D department, partly to develop new pumps and partly to optimise and maintain its existing product range on an ongoing basis.

#### Statutory corporate social responsibility statement

The Wärtsilä Group's sustainability policies can be found here:

<http://www.wartsila.com/sustainability>

A Sustainability Report is prepared annually at group level in accordance with "Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G4". The report for 2015 can be found here:

<http://www.wartsilareports.com/en-US/2015/ar/sustainability/report-scope/>.

#### Statement on gender distribution in Management

Wärtsilä Group continued to work on diversity during 2015. The above-mentioned Sustainability Report for 2015 contains a statement in this respect and can be found here:

<http://www.wartsilareports.com/en-US/2015/ar/sustainability/sustainability-management/management-approach/people-management/>.

Wärtsilä's Diversity Initiative began in 2012 with the aim of fostering an inclusive corporate culture at all levels of the organisation so as to meet global requirements. By investing in diversity and supporting employees of varied age, gender, personality and educational background, Wärtsilä becomes a more innovative business partner as well as a more attractive employer.

The composition of the Board of Directors is determined at group level and is in accordance with the Group's general policy and goal to have an inclusive corporate culture at all levels of the organisation. At 31 December 2015, there were no female members of the Board of Directors elected by the general meeting.

## **Management's review**

### **Operating review**

By virtue of the general policy, it is natural for the Company to aim at a more even gender distribution in the Board of Directors elected by the general meeting within the next few years, thus ensuring that the underrepresented gender does not amount to 0%. The goal is thus that, within four years, one of the board members elected at the general meeting should be a woman. Based on the Board of Directors' current size, it will correspond to 33%.

The general policy also applies to other levels of management and entails that several executive employees are women. As gender is not considered when executive employees are appointed, no specific measures have been taken in order to change the distribution.

## Financial statements 1 January – 31 December

### Accounting policies

The annual report of Wärtsilä Svanehøj for 2015 has been prepared in accordance with the provisions applying to reporting class C (large) entities under the Danish Financial Statements Act.

Pursuant to section 86(4) of the Danish Financial Statements Act, a cash flow statement has not been prepared.

Pursuant to section 96(3) of the Danish Financial Statements Act, fees to the appointed auditor has not been disclosed. The information is included in the financial statements of Wärtsilä Corporation, Finland.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

### Foreign currency translation

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts which were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts which were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

## Financial statements 1 January – 31 December

### Accounting policies

#### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, the income may be reliably measured and is expected to be received.

Revenue from the sale of goods where delivery has been postponed upon the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

Revenue is measured at the fair value of the agreed remuneration excluding VAT and taxes charged on behalf of third parties. All discounts granted are included in revenue.

Construction contracts are recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

#### Production costs

Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of plant.

Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

#### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising, exhibitions and depreciation.

#### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for administrative staff, management, office premises, office expenses and depreciation.

In addition, write-down for bad debts on receivables are recognised.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

## Financial statements 1 January – 31 December

### Accounting policies

#### Tax on profit for the year

Wärtsilä Svanehøj A/S is jointly taxed with the affiliated company Wärtsilä Danmark A/S and Wärtsilä Lyngsø Marine A/S. Current tax is distributed between the jointly taxed Danish companies in proportion to the taxable income of these companies (full absorption with refund for tax losses). The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

On initial recognition, intangible assets are recognised at cost.

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well as development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period. The software amortisation period is 5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as operating income or operating costs, respectively.

## Financial statements 1 January – 31 December

### Accounting policies

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

Interest expense is not included in costs.

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	25 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	5-10 years

Land is not depreciated.

Depreciation is recognised in the income statement as production costs, distributions costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads.

Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial statements 1 January – 31 December

### Accounting policies

#### Receivables

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

#### Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured on the basis of the degree of completion at the balance sheet date and total expected income from specific work in progress.

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

Individual work in progress is recognised in the balance sheet as either receivables or payables depending on the net value of the sales amount less progress billings and prepayments.

#### Prepayments

Prepayments comprise prepayments of costs relating to subsequent financial years.

#### Equity

##### *Dividends*

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax.

on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

## Financial statements 1 January – 31 December

### Accounting policies

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement and equity, respectively.

### Provisions

Provisions comprise anticipated costs of warranties. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value or fair value if the obligation is expected to be settled in the distant future.

Warranties comprise obligations to make good any defects within the warranty period. Provisions are measured at net realisable value and recognised on the basis of the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

### Deferred income

Deferred income comprises accrued costs to finish projects where the risk of the goods has been transferred to the customer.



## Financial statements 1 January – 31 December

### Accounting policies

### Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Return on invested capital	$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$
Invested capital	Operating intangible assets and property, plant and equipment plus net working capital
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2015	2014
<b>Revenue</b>		527,737	402,792
Production costs	1,2	-343,137	-265,206
<b>Gross profit</b>		184,600	137,586
Distribution costs	1	-20,488	-17,562
Administrative expenses	1,2	-35,185	-32,077
<b>Operating profit</b>		128,927	87,947
Other financial income	3	5	17
Financial expenses	4	-866	-1,636
<b>Profit before tax</b>		128,066	86,328
Tax on profit for the year	5	-30,331	-19,436
<b>Profit for the year</b>		<u>97,735</u>	<u>66,892</u>
<b>Proposed profit appropriation</b>			
Proposed dividends for the financial year		100,000	70,000
Retained earnings		-2,265	-3,108
		<u>97,735</u>	<u>66,892</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
	6		
Acquired patents and licences		1,059	885
Completed development projects		7,632	9,508
		<u>8,691</u>	<u>10,393</u>
<b>Property, plant and equipment</b>			
	7		
Land and buildings		14,145	15,301
Plant and machinery		3,548	3,993
Fixtures and fittings, tools and equipment		639	958
		<u>18,332</u>	<u>20,252</u>
<b>Total non-current assets</b>		<u>27,023</u>	<u>30,645</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		32,349	49,940
Work in progress		3,716	84,805
Finished goods and goods for resale		40,434	31,187
		<u>76,499</u>	<u>165,932</u>
<b>Receivables</b>			
Trade receivables		131,739	73,443
Construction contracts	8	7,103	25,073
Receivables from group entities		29,865	25,703
Other receivables		52	110
Prepayments		628	535
		<u>169,387</u>	<u>124,864</u>
<b>Cash at bank and in hand</b>		<u>13,625</u>	<u>17,796</u>
<b>Total current assets</b>		<u>259,511</u>	<u>308,592</u>
<b>TOTAL ASSETS</b>		<u>286,534</u>	<u>339,237</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	26,250	26,250
Retained earnings		4,197	6,411
Proposed dividends for the financial year		100,000	70,000
<b>Total equity</b>		<b>130,447</b>	<b>102,661</b>
<b>Provisions</b>			
Deferred tax		22,072	23,222
Other provisions		5,921	5,868
<b>Total provisions</b>		<b>27,993</b>	<b>29,090</b>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		16,351	45,585
Trade payables		31,947	131,773
Payables to group entities		49,573	2,227
Corporation tax		2,489	8,499
Other payables		27,734	19,402
<b>Total liabilities other than provisions</b>		<b>128,094</b>	<b>207,486</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>286,534</b>	<b>339,237</b>
<b>Lease commitments</b>	10		
<b>Contractual obligations, contingencies, etc.</b>	11		
<b>Mortgages and collateral</b>	12		
<b>Related party disclosures and ownership</b>	13		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Proposed dividends	Total
<b>Equity at 1 January 2014</b>	26,250	9,259	60,000	95,509
Distributed dividends	0	0	-60,000	-60,000
Transferred; see the profit appropriation	0	-3,108	70,000	66,892
Value adjustments of hedging instruments at year end	0	260	0	260
<b>Equity at 1 January 2015</b>	26,250	6,411	70,000	102,661
Distributed dividends	0	0	-70,000	-70,000
Transferred; see the profit appropriation	0	-2,265	100,000	97,735
Value adjustments of hedging instruments at year end	0	51	0	51
<b>Equity at 31 December 2015</b>	26,250	4,197	100,000	130,447

## Financial statements 1 January – 31 December

### Notes

DKK'000	2015	2014
<b>1 Staff costs</b>		
Wages and salaries	88,176	81,550
Pensions	6,906	5,960
Other social security costs	823	710
	<u>95,905</u>	<u>88,220</u>
Average number of employees	<u>171</u>	<u>147</u>
<b>2 Depreciation, amortisation and impairment losses</b>		
Intangible assets	2,772	3,457
Property, plant and equipment	3,105	2,935
	<u>5,877</u>	<u>6,392</u>
<b>3 Other financial income</b>		
Interest income from group entities	0	11
Other interest income	5	6
	<u>5</u>	<u>17</u>
<b>4 Financial expenses</b>		
Interest expense to group entities	131	0
Other financial expenses	735	1,636
	<u>866</u>	<u>1,636</u>

## Financial statements 1 January – 31 December

### Notes

DKK'000	2015	2014
<b>5 Tax on profit for the year</b>		
Current tax for the year	31,488	20,499
Adjustment of deferred tax for the year	-1,016	896
Adjustment regarding previous years	-55	-386
Effect of reduction of the corporation tax rate on deferred tax	-70	-1,656
	<u>30,347</u>	<u>19,353</u>
Which is specified as follows:		
Tax on profit for the year	30,331	19,436
Tax on changes in equity	16	-83
	<u>30,347</u>	<u>19,353</u>

### 6 Intangible assets

DKK'000	Acquired patents and rights	Development projects in progress	Completed development projects	Total
Cost at 1 January 2015	8,380	0	11,579	19,959
Additions	584	0	486	1070
Transferred	0	0	0	0
Cost at 31 December 2015	<u>8,964</u>	<u>0</u>	<u>12,065</u>	<u>21,029</u>
Amortisation and impairment losses at 1 January 2015	7,495	0	2,071	9,566
Amortisation	410	0	2,362	2,772
Amortisation and impairment losses at 31 December 2015	<u>7,905</u>	<u>0</u>	<u>4,433</u>	<u>12,338</u>
<b>Carrying amount at 31 December 2015</b>	<u>1,059</u>	<u>0</u>	<u>7,632</u>	<u>8,691</u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	48,802	43,917	3,457	96,176
Additions	725	460	0	1185
Transferred	0	0	0	0
Cost at 31 December 2015	49,527	44,377	3,457	97,361
Depreciation and impairment losses at 1 January 2015	33,501	39,924	2,499	75,924
Depreciation	1,881	905	319	3,105
Depreciation and impairment losses at 31 December 2015	35,382	40,829	2,818	79,029
<b>Carrying amount at 31 December 2015</b>	<b>14,145</b>	<b>3,548</b>	<b>639</b>	<b>18,332</b>

DKK'000	2015	2014
<b>8 Construction contracts</b>		
Selling price of work performed	228,771	228,771
Progress billings made	-221,668	-203,698
	<u>7,103</u>	<u>25,073</u>
Specified as follows:		
Construction contracts	<u>7,103</u>	<u>25,073</u>

Accrued costs related to construction contracts amounted to DKK 15,284 thousand and have been recognised as trade payables.



## Financial statements 1 January – 31 December

### Notes

#### 9 Share capital

The share capital consists of 1 share of DKK 26,250 thousand. All shares rank equally. The share capital has remained unchanged for the last five financial years.

DKK'000	2015	2014
<b>10 Lease commitments</b>		
Remaining lease commitments at 31 December	54	21

Residual operating lease obligations recognised at the balance sheet date fall due within 1 year.

#### 11 Contractual obligations, contingencies, etc.

No recourse liabilities or contingent liabilities are incumbent on the Company.

#### 12 Mortgages and collateral

The Company has issued a mortgage registered to the mortgagor of DKK 12,000 thousand secured upon the Company's land and buildings. The carrying amount of the properties held under mortgage amounts DKK 14,145 thousand. The mortgage registered to the mortgagor remains in the Company's possession.

#### 13 Related party disclosures and ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Wärtsilä Hamworthy International Ltd., England

Ultimate owner is:

Wärtsilä Corporation  
John Stenbergin ranta 2  
Postbox 196  
00531 Helsinki  
Finland  
www.wartsila.com

Related parties also include the Board of Directors and the Executive Board as well as group entities within the Wärtsilä Group.

Related party transactions are not disclosed as the Company is included in the consolidated financial statements of Wärtsilä Corporation, Finland.