RADIOMETER MEDICAL APS

ÅKANDEVEJ 21, 2700 BRØNSHØJ

ANNUAL REPORT

2015

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 17 May 2016

Sven Ambjørn

CVR NO. 27 50 91 85

CONTENTS

COMPANY DETAILS

Company	Radiometer Medical ApS Åkandevej 21 2700 Brønshøj	
	Telephone:	+4538273827
	Website:	www.radiometer.com
	CVR no.:	27 50 91 85
	Established:	14 January 2004
	Registered Office:	Copenhagen
	Financial Year:	1 January - 31 December
Board of Directors	Peter Kürstein-Jensen, formand Henrik Schimmell Nielsen Claus Lønborg Madsen Marianne Vinding Ovesen Vibeke Holst-Andersen Michael Taagaard Birgit Vilstrup Olsen Rene Torngaard Rasmussen	
Board of Executives	Henrik Schimmell Nielsen Claus Lønborg Madsen	
Auditor	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg	

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the board of directors and board of executives have discussed and approved the Annual Report of Radiometer Medical ApS for 1 January - 31 December 2015.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

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

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

We recommend that the Annual Report be approved at the annual general meeting.

Copenhagen, 17 May 2016

Board of Executives

Henrik Schimmell Nielsen	Claus Lønborg Madsen

Board of Directors

Peter Kürstein-Jensen Chairman	Henrik Schimmell Nielsen	Claus Lønborg Madsen
Marianne Vinding Ovesen	Vibeke Holst-Andersen	Michael Taagaard
Birgit Vilstrup Olsen	Rene Torngaard Rasmussen	

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Radiometer Medical ApS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Radiometer Medical ApS for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including significant accounting policies. 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 auditors' 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 auditors consider 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.

Opinion

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

INDEPENDENT AUDITOR'S REPORT

STATEMENT ON THE MANAGEMENT'S REVIEW

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

Copenhagen, 17 May 2016

ERNST & YOUNG Godkendt Revisionspartnerselskab, CVR-nr. 30 70 02 28

Carsten Kjær
State Authorised Public Accountant

KEY FIGURES AND RATIOS

	2015 DKK millions	2014 DKK millions	2013 DKK millions	2012 DKK millions	2011 DKK millions
Income statement					
Net revenue	3.216	2.800	2.566	2.518	2.131
Gross profit	2.109	1.867	1.720	1.780	1.477
Operating profit/loss	539	346	206	255	4
Financial income and expenses, net	134	36	-39	-146	-383
Profit/loss for the year before tax	715	412	211	135	-358
Profit/loss for the year	555	332	281	107	-286
Balance sheet					
Investment in tangible fixed assets	57	37	28	19	25
Balance sheet total	14.322	14.426	13.708	13.329	10.162
Equity	10.438	9.903	8.591	7.330	3.793
Cash flows					
Cash flows from operating activities	1.218	866	758	679	80
Cash flows from investing activities	-465	-1.171	-409	-4.162	-23
Cash flows from financing activities	-751	303	-351	3.491	-64
Ratios					
Profit margin (operating profit/loss as a % of net revenue)	16,8	12,4	8,0	10,1	0,2
Rate of return (operating profit as % of aver. balance sheet)	3,7	2,5	1,5	2,2	0,0
Equity ratio (solvency ratio) (equity ex minority interests as % of assets,	72,9	68,6	62,7	55,0	37,3
Return on equity (profit/loss before tax as a % of avg. equity including minority interests)	7,0	4,5	2,7	-9,1	76,6
Average number of employees	1.019	982	957	936	948

MANAGEMENT'S REVIEW

Principal activities

The mission for Radiometer is to help caregivers make diagnostic decisions that save lives. To provide caregivers the insight and confidence that help them arrive at the right diagnostic decisions and to support them in what they do best; caring for patients around the globe. To fulfil the vision of the company of improving global healthcare through reliable, fast and easy patient diagnoses, the company develops solutions for point of care testing including amongst other things blood sampling and blood gas analyzes (blood gas products), immunoassays (AQT products) and hemoglobin testing (HemoCue products).

Through the solutions Radiometer is proving information on the most critical parameters in acute care and point of care testing, including oxygen, lactate and troponin. These parameters are an important part of the total portfolio of solutions for reliable, fast and easy patient diagnoses.

The solutions fall into 3 types of products: Blood gas, AQT, and HemoCue - all providing solutions that help caregivers around the world save lives at e.g. intensive care units (ICUs), emergency departments (EDs) and operating rooms (ORs).

<u>Blood gas products</u>: A wide selection of blood gas analyzers matches the need of all types of facilities - whether the caregiver runs 1 test per day or 100. The offerings include blood gas measurement, solutions and workflows.

Blood gas instruments measure up to 15 parameters (including oxygen, carbon dioxide and acidity). A number of the solutions, such as sensors and cleaning (Accessory products) and calibrating solutions (QC products), play an important role in improving patient diagnostics. On top of this, the company develops, manufactures, and markets solutions for arterial blood sampling (PICO products), transcutaneous monitoring (TCM products), IT management and integration systems (AQURE system) to optimize the workflow and processes for the caregivers and to minimize process errors.

<u>AQT products</u>: Immunoassays are quick and accurate tests that can be used at point of care and in the laboratory to detect specific molecules. The solutions for immunoassay measurement are related to the heart using cardiac markers, coagulation, infection and pregnancy markers and can provide caregivers with lab-quality quantitative results in very short time. The analyzer is always ready and can run up to 30 samples per hour.

<u>HemoCue products</u>: Conditions such as anemia, diabetes and infection are often initially screened at a doctor's general practice office or at a primary care department of a hospital. For these locations, Radiometer offers the HemoCue series of hand-held hemoglobin analyzers for the detection of anemia, glucose for the initial screening of diabetes, and the albumin analyzer for screening and monitoring of albuminuria. Some HemoCue systems can also measure white blood cell count in order to screen for infections, inflammation, tissue necrosis or hematologic disorders - all at the doctor's office.

Overall Radiometer counts today 31 sales companies and 6 product companies. Radiometer's products and solutions are used in hospitals, clinics and laboratories in more than 130 countries. The company develops and produces blood gas products and products for immunoassays, cardiac maker etc. together with the other product companies in the Radiometer Group, and distribute the products including HemoCue products to the sales companies in the Group, to distributors and to end-users in Denmark.

Radiometer has been part of Danaher Corporation's life science and diagnostics group since 2004. In 2013 the HemoCue business became part of Radiometer. Radiometer was founded in 1935, developing measuring devices for the growing Danish radio industry. In 1952 Radiometer entered into medical technology with the ground-breaking invention of the first commercially availiable pH meter.

MANAGEMENT'S REVIEW

Uncertainty on recognition or measurement
Related to the restructuring in 2008, the Company has recognized significant intangible assets in the balance sheet. In addition, the Company recognizes development costs as intangible assets, when certain criterias are met. Development costs related to finished projects are measured at cost price less accumulated depreciations and impairment losses.

Recognition of Intellectual Property Rights and Development costs in the balance sheet are inherently subject to uncertainty as the value of the asset depends on the expected future revenue of the products, to which the rights and development projects are related.

Development in activities and financial position
The 2015 result and financial development of the Company was satisfactory, including increasing revenue and operating profit.

The revenue ended up at 3,216 MDKK in 2015 compared to 2,800 MDKK in 2014 - a growth of 416 MDKK/ 14,9% of which approx. 7,5% is due to increase in volume and 7,4% is due to increase of foreign currency rates. The volume increase adjusted for exchange rate changes is in line with the expectations.

The Company achieved a profit of 555 MDKK in 2015 compared to a profit of 332 MDKK in 2014. The increase in profit is mainly related to higher gross profit from the sales growth and positive currency development described above - a total increase in gross profit of 242 MDKK. Favorable development in financial items, mainly related to interests on loans between group companies, also contributed to the profit increase - financial net income increased to 134 MDKK in 2015 from 36 MDKK in 2014. The profit development is better than expected due to the postive impact of the exchange rate development during 2015 compared to 2014.

During the year, the equity of the Company has changed by the profit for the year of 555 MDKK, by capital contribution from the parent company of 980 MDKK, and paid out dividend of 1.000 MDKK.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance to the Company's financial position.

Special risks
The Company monitors the risk factors that may affect the operations and financial results on a regular basis. The identified risks are seeked minimized by operational countermeasures and through insurance. Below is a more detailed description of these factors.

<u>Currency risks</u>
The Company's net payments in foreign currencies are usually sold immediately after receipt. There is no hedging of currency risk on foreign currency assets and liabilities.

<u>Credit risks</u>
Most of the Company's products are sold to affiliated sales companies. Approximately 30% of the sales is to external non-affiliated distributors, who is subject to ongoing credit evaluation.

<u>Interest rate risk</u>
The Company's operating activities generally creates a positive cash contribution. The interest rate on its loans is fixed throughout the term.

<u>Regulatory by authorities</u>
A significant part of the Company's sales are to countries where it is required that the products are approved by health authorities. The Company's quality organization provides a regularly and systematic monitoring of the compliance of the regulatory requirements for the products.

MANAGEMENT'S REVIEW

Dependence on customers
Consolidated revenue is distributed among a large number of markets and a very large number of individual customers, so dependence on individual customers is considered small.

Technology development
It is the opinion of the Company that neither in the short nor medium term will new disruptive technologies appear which on short notice will reduce the demand for the product portfolio of the Company.

Product liability and business liability
The Company has covered product and business liability risk by an adequate insurance with a premium rated insurer.

Damage to property and business interruption
Plant and machinery, fixtures and equipment and inventories are insured at replacement value. Significant interruptions of production are covered by a business interruption insurance with a premium rated insurer.

In order to minimize disruption of supplier failure, the Company purchases a wide range of components from more than one supplier. For certain critical components inventory is maintained to ensure uninterrupted production in a short time period.

Knowledge resources
Radiometer develops its products based on a thorough knowledge of market, users, patient types and technological opportunities. Radiometer believes that retaining associates, developing their skills and empowering them to engage in developing Radiometer's products and solutions is prerequisite for safeguarding its strong position in the market.

Radiometer's HR strategy is focused on attracting, retaining and developing talent across cultures, geographies and organizations. Radiometer is keen on attracting associates, who take pride and responsibility in advancing their career, and in return, Radiometer invests in their development.

Radiometer's model of competence is based on the 70-30-10 principle in which associate development is 70 % on-the-job training, 20 % coaching and 10 % formal classroom training. All employees are ensured an individual development plan that covers individual goals for the year, development needs and overall succession planning.

As a result of this strategy and actions, Radiometer has been able to retain key talent within the organization and maintain a high share of positions filled with internal candidates.

Building on a culture diverted from Danaher, Radiometer associates are driven by the philosophy on continuous improvement. Radiometer associates are encouraged to explore and widen their competencies within the Danaher Business System (DBS), the Danaher Corporations' approach to building strong results through cooperation, lean and elimination of waste in processes. Based on four pillars, DBS drives the company forward through a constant cycle of change and improvement, focusing on:

- exceptional PEOPLE
- outstanding PLANS
- executing using world-class tools to construct sustainable PROCESSES
- achieving superior PERFORMANCE

To Radiometer, having the right people on the team is crucial to sustaining the success of the company, which is why all associates are encouraged to develop their skills within DBS.

MANAGEMENT'S REVIEW

Research and development activities
The Reseach and development (R&D) acitivties are based on the customers needs. The R&D activites are therefore highly integrated with the Sales- and Marketing activites in the company.

The R&D activities are based on the organization in R&D and Operations have an integrated approach to product development. Cross-functional teams that ensures greater integration in the innovation process and the right production and cost set-up have been established.

By this the R&D activites in the company focus on development and bringing new products and solutions to the market incl. adding new parameters and functionality to current products and development of new technologies for diagnostic measurement. This is essential to achieve the mission and vision for the company.

In the research and development organization as in other parts of the organization the work is based on Lean thinking with continuous improvements - for R&D lean in the processes for developing and manufacturing new products, parameters and technologies.

Future expectations
A positive development in Revenue, Operating profit and Profit for the year is expected for the next financial year compared to 2015. Revenue is expected to grow mid single digit in fixed currencies with matching positive impact on operating profit and profit for the year. Changes in foreign currency exchange rates can have substantial impact on the expected development.

Corporate social responsibility
Radiometer communicates about its social responsibility in the Corporate Social Responsibility (CSR) report, which is published along with the annual report. Radiometer is a part of the UN Global Compact program and the report is prepared in compliance with the 10 principles of the program covering 4 areas: Human rights, labour rights, the environment and anti-corruption. For more information about policies, actions and results, see the report for 2015 on the link mentioned below *)

The company acknowledge that as a leading provider of technologically advanced acute care solutions, social responsibility and continuous improvement is integral part of the business. Dedication to sustainability is fundamental to the business achievements and has brought unique focus to health and safety, elimination of waste and to the fundamental of our business; the employees. The commitment to integrity and reputation for fairness and honesty is the foundation for the continuous success of the company. The focus for employees and business partners in this connection is to conduct business ethically and in full compliance with all applicable laws and in compliance with our Standard of Conduct, operating policies and procedures. In line with the culture of continuous improvement, the company continues the efforts in anti-corruption and anti-bribery. The Company is committed to minimizing environmental impact and creating a safe, healthy and stimulating work environment. Radiometer also monitors the environmental impact of the Company's production.

The Company works with a target figure for the underrepresented gender in the Board of Directors of 40%, which correspond to 2 out of 5 members elected by the General Assembly, and the company is in line with this target, which also goes for the top management. The personel policy of the company supports this in all part of the organization.

*) Full link to the 2015 CSR report:
http://www.radiometer.com/~/media/files/radiometercomcloneset/parent/en/miscellaneous-items/csr-2015.pdf

ACCOUNTING POLICIES

The Annual Report of Radiometer Medical ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in accounting class C.

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

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

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

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

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

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

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

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

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

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

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

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

ACCOUNTING POLICIES

Consolidated financial statements

The group comply with the exemption clause of the § 112 for financial reporting in the Danish Financial Statements Act and therefore consolidated financial statements have not been prepared.

Consolidated Financial Statement for Danaher Corporation Inc., USA, is available at www.danaher.com in investors/financial information.

INCOME STATEMENT

Net revenue

The net revenue from sale of merchandise and produced finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues are recognised exclusive of VAT, duties and less discounts related to the sale. Revenue from contracts on terms like operating leases and maintenance is accrued, while finance leases are recognized at the fair value of future lease payments.

Cost of sales

Cost of sales comprises costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external costs include costs relating to production, distribution, sale, marketing, research and product development, IT, HR, Finance, administration, premises etc.

The development costs for the year are recognized in the income statement under the items other external costs, staff costs and depreciation and amortization. Development costs that meet the criteria for capitalization in the balance sheet are offset in the income statement in other external expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the Company’s employees. Repayments from public authorities are included in staff costs.

Result of equity investments in group and associated companies

The proportional share of results of the group and associated companies after full elimination of intercompany profits/losses and deduction of amortised goodwill is recognised in the income statement of the Company.

Financial income and Financial Expenses

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

Tax on profit for the year

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

The Company is jointly taxed with wholly-owned Danish and foreign subsidiary enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income, and with full distribution of refund regarding taxable losses.

ACCOUNTING POLICIES

BALANCE SHEET

Intangible fixed assets
Acquired intangible fixed assets, goodwill etc. are measured at cost less accumulated amortisation, and are amortised on a straight-line basis over the expected useful life. The economic lifetime for most of the intangible fixed assets, which include trademarks, technology, knowledge, channels of distributions etc. is estimated to substantially more than 20 years, but the depreciation period is limited to this.

Patents and licences are measured at the lower of cost less accumulated amortisation or the recoverable amount. Patents are amortised over the residual patent term and licences are amortised over the term of the agreement, however, no more than 8 years.

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

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

Capitalised development costs are amortised over the estimated useful life after completion of the development work. The useful life and amortisation period is done based on no. of instruments sold in the period.

Tangible fixed assets
Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs.

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

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

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

	Useful life	Residual value
Lease Instruments	App. 2-5	0%
Production plant and machinery	5	0%
Other plants, fixtures and equipment	3-5	0%

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

ACCOUNTING POLICIES

BALANCE SHEET

Fixed asset investments
Investments in subsidiary enterprises are measured in the balance sheet under the equity method.

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

Net revaluation of investments in subsidiary enterprises is transferred under the equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value. The acquisition method is used on purchase of subsidiary enterprises, see description above under consolidated financial statements.

Fixed asset investments also include securities that are not expected to be disposed of. These securities are measured at market value (quoted price) on the balance sheet date.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

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

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

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll costs and direct production costs. Produced items also include added indirect production expenses.

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

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

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

Other provisions
Provisions for liabilities include the expected cost of warranty commitments, restructuring etc. and deferred tax.

ACCOUNTING POLICIES

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

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

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

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax.

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

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

Other liabilities which include debt to suppliers, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

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

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

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

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

ACCOUNTING POLICIES

CASH FLOW STATEMENT

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed assets and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and liquid funds.

KEY FIGURES

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening on "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 DKK '000	2014 DKK '000
NET REVENUE	1	**3.216.058**	**2.800.339**
Cost of sales		-1.107.375	-933.070
GROSS PROFIT		**2.108.683**	**1.867.269**
Staff costs	2	-686.593	-645.048
Other external expenses		-360.602	-351.690
Depreciation, amortisation and impairment	3	-522.464	-524.212
OPERATING PROFIT		**539.024**	**346.319**
Result of equity investments in group and associated companies		42.761	29.940
Other financial income	4	393.392	349.511
Other financial expenses	5	-259.687	-313.600
PROFIT BEFORE TAX		**715.490**	**412.170**
Tax on profit/loss for the year	6	-160.038	-80.229
PROFIT FOR THE YEAR		**555.452**	**331.941**

PROPOSED DISTRIBUTION OF PROFIT

		2015	2014
Proposed dividend for the year		500.000	1.000.000
Retained profit		55.452	-668.059
TOTAL		**555.452**	**331.941**

BALANCE SHEET 31 DECEMBER

ASSETS	Note	2015 DKK '000	2014 DKK '000
Development projects completed		9.363	47.181
Intangible fixed assets acquired		2.801.412	3.173.968
Goodwill		1.090.671	1.177.644
Development projects in progress and prepayments		287.377	169.433
Intangible fixed assets	7	**4.188.823**	**4.568.226**
Production plants and machinery		38.671	35.083
Other plants, machinery, tools and equipment		23.986	24.603
Tangible fixed assets in progress and prepayment		24.911	15.262
Tangible fixed assets	8	**87.568**	**74.948**
Investments in group companies		2.117.868	2.075.107
Receivables from group enterprises		6.410.253	6.089.964
Other securities		5	11.002
Rent deposit and other receivables		18.025	18.786
Fixed asset investments	9	**8.546.151**	**8.194.859**
FIXED ASSETS		**12.822.542**	**12.838.033**
Raw materials and consumables		60.150	55.186
Finished goods and goods for resale		62.593	50.736
Inventory		**122.743**	**105.922**
Trade receivables		110.325	89.594
Receivables from group enterprises		1.252.626	1.379.072
Other receivables		571	1.481
Prepayments and accruals	10	7.111	4.570
Accounts receivable		**1.370.633**	**1.474.717**
Cash and cash equivalents		**6.433**	**6.942**
CURRENT ASSETS		**1.499.809**	**1.587.581**
ASSETS		**14.322.351**	**14.425.614**

BALANCE SHEET 31 DECEMBER

EQUITY AND LIABILITIES	Note	2015 DKK '000	2014 DKK '000
Share capital		2.202.343	2.202.343
Retained profit		7.735.284	6.700.230
Proposed dividend		500.000	1.000.000
EQUITY	11	**10.437.627**	**9.902.573**
Provision for deferred tax		783.016	839.432
Other provisions	12	15.053	12.115
PROVISION FOR LIABILITIES		**798.069**	**851.547**
Payables to group companies		1.746.891	2.524.531
Long-term liabilities	13	**1.746.891**	**2.524.531**
Short-term portion of long-term liabilities	13	777.640	730.925
Bank debt		82	1.950
Prepayments received from customers		9.753	5.302
Trade payables		192.292	204.282
Payables to group companies		176.248	31.400
Other liabilities		180.308	168.731
Accruals and deferred income	14	3.441	4.373
Current liabilities		**1.339.764**	**1.146.963**
LIABILITIES		**3.086.655**	**3.671.494**
EQUITY AND LIABILITIES		**14.322.351**	**14.425.614**
Contingencies etc.	15		
Related parties	16		
Fee to auditors appointed by the General Meeting	17		

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	2015 DKK '000	**2014** DKK '000
Profit for the year	555.452	331.941
Reversed depreciation of the year	522.465	524.212
Profit from Investment in Group companies	-42.761	-29.940
Reversed tax on profit for the year	160.037	80.229
Other adjustments	3.654	3.129
Corporation tax paid	-7	963
Change in inventory	-16.821	-7.204
Change in accounts receivable	-113.156	-36.033
Change in current liabilities (excl. bank, tax and dividend)	148.748	-1.318
CASH FLOWS FROM OPERATING ACTIVITIES	**1.217.611**	**865.979**
Purchase of intangible fixed assets	-117.944	-116.906
Purchase of tangible fixed assets	-38.103	-36.685
Sale of tangible fixed assets	229	486
Purchase of financial assets	-320.329	-1.023.831
Sale of financial assets	11.218	6.417
CASH FLOWS FROM INVESTING ACTIVITIES	**-464.929**	**-1.170.519**
Repayments of loans	-10.888	-9.990
Other changes in intercompany balances with other Group companies	-720.037	-666.701
Capital increase	979.602	979.602
Payment of dividend to Parent Company	-1.000.000	0
CASH FLOWS FROM FINANCING ACTIVITIES	**-751.323**	**302.911**
CHANGE IN CASH AND CASH EQUIVALENTS	**1.359**	**-1.629**
Cash and cash equivalents 1 January	4.992	6.621
CASH AND CASH EQUIVALENTS 31 DECEMBER	**6.351**	**4.992**
Specification of cash and cash equivalents at 31 December:		
Cash and cash equivalents	6.434	6.942
Bank debt	-82	-1.950
TOTAL CASH AND CASH EQUIVALENTS 31. DECEMBER	**6.352**	**4.992**

NOTES

Note

Net revenue **1**

The revenue ended up on 3,216 MDKK in 2015 compared to 2,800 MDKK in 2014 - growth of 416 MDKK/14,9% of which approx. 7,5% is due to an increase in volume and 7,4% is due to an increase in foreign currency rates.

The revenue of the company is mainly for the export market and the main share of this for own sales companies and non-affiliated distributors.

Segment details
The revenue of the company is within one business segment related to caregivers diagnostic decisions that save lives.

The revenue of the company for 2015 is geographically divided into 2,175 MDKK on developed markets and 1,041 MDKK on high growth markets.

The 2015 growth on developed markets was 11,1% (6,2% in fixed currency) from 1,958 MDKK in 2014 to 2,175 MDKK in 2015.

The 2015 growth on high growth markets was 23,5% (10,5% in fixed currency) from 842 MDKK in 2014 to 1,041 MDKK in 2015.

The impact from increasing exhcange rates was +205 MDKK of which +95 MDKK was related to developed markets and +110 MDKK was related to high growth markets.

	2015 DKK '000	2014 DKK '000	
Staff costs			**2**
Average number of employees	1.019	982	
Wages and salaries	640.533	600.745	
Pensions	37.001	34.715	
Social security costs	9.059	9.588	
	686.593	**645.048**	

Total amount for the Board of Executives and Board of Directors can be specified as:
Salary, Board of Executives 9.534 t.DKK. (In 2014: 10.154 t.DKK)
Salary, Board of Directors 180 t.DKK (In 2014: 180 t.DKK)

The Board of Executives is participating in a stockoption program at the parent company in the USA that is valuated via Black Scholes. Value of options assigned in the fiscal year 4.062 t.DKK. (In 2014: 2.938 t.DKK)

NOTES

	2015 DKK '000	2014 DKK '000	Note
	DKK '000	DKK '000	
Depreciation, amortisation and impairment			3
Development projects completed	37.819	39.905	
Licenses acquired	336	448	
Tangible fixed assets	25.117	24.667	
Intangible fixed assets acquired	459.192	459.192	
	522.464	**524.**212	
Other financial income			4
Group companies	392.766	348.650	
Other interest income	626	861	
	393.392	**349.511**	
Other financial expenses			5
Group companies	259.565	312.901	
Other interest expenses	122	699	
	259.687	**313.600**	
Tax on profit/loss for the year			6
Calculated tax on taxable income of the year	216.447	0	
Adjustment of tax for previous years	6	-963	
Adjustment of deferred tax	-56.415	81.192	
	160.038	**80.229**	

Intangible fixed assets 7

	Development projects completed	Intangible fixed assets acquired
Cost 1 January 2015	170.636	5.603.085
Addition	0	0
Cost 31 December 2015	**170.636**	**5.603.085**
Depreciation 1 January 2015	123.455	2.429.118
Depreciation	37.818	372.555
Depreciation 31 December 2015	**161.273**	**2.801.673**
Book value at 31 December 2015	**9.363**	**2.801.412**

NOTES

Note

	Goodwill	Development projects in progress and prepayments
Cost 1 January 2015	1.742.969	169.433
Addition	0	117.944
Cost 31 December 2015	**1.742.969**	**287.377**
Depreciation 1 January 2015	565.325	0
Depreciation	86.973	0
Depreciation 31 December 2015	**652.298**	**0**
Book value at 31 December 2015	**1.090.671**	**287.377**

Tangible fixed assets 8

	Production plants and machinery	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost 1 January 2015	278.646	115.399	15.261
Addition	17.027	11.426	28.124
Disposal	-43.172	-5.923	-18.474
Cost 31 December 2015	**252.501**	**120.902**	**24.911**
Amortisation 1 January 2015	243.562	90.797	
Reversal of depreciation of assets disposed of	-42.958	-5.772	
Depreciation	13.226	11.891	
Depreciation 31 December 2015	**213.830**	**96.916**	
Book value at 31 December 2015	**38.671**	**23.986**	**24.911**

Ohter plants, machinery, tools and equipment also contains lease assets.
Prepaid fixed assets are mainly related to ongoing investments in production equipment and will be transferred to production plants and machinery upon completion.

NOTES

Note

Fixed asset investments 9

	Investments in group companies	Receivables from group enterprises
Cost 1 January 2015	2.161.513	6.089.964
Addition	0	320.289
Disposal	0	0
Cost 31 December 2015	**2.161.513**	**6.410.253**
Revaluation 1 January 2015	-86.406	0
Share of profit/loss for the year	42.761	0
Revaluation 31 December 2015	**-43.645**	**0**
Book value at 31 December 2015	**2.117.868**	**6.410.253**

	Other securities	Rent deposit and other receivables
Cost 1 January 2015	10.423	18.785
Addition	0	40
Disposal	-10.418	-800
Cost 31 December 2015	**5**	**18.025**
Revaluation 1 January 2015	580	
Revaluation and write-down for the year	-580	
Revaluation 31 December 2015	**0**	
Book value at 31 December 2015	**5**	**18.025**

Investments in group companies, share:
Danaher Medical ApS, Denmark 100%

Prepayments and accrued income 10

Is related to prepaid expenses, insurance, rent etc.

Equity 11

	Share capital	Retained profit	Proposed dividend	Total
Equity 1 January 2015	2.202.343	6.700.230	1.000.000	9.902.573
Contribution from parent company		979.602		979.602
Dividend paid			-1.000.000	-1.000.000
Proposed distribution of profit		55.452	500.000	555.452
Equity 31 December 2015	**2.202.343**	**7.735.284**	**500.000**	**10.437.627**

The share capital has remained unchanged for the last 5 years.
The share capital is split on 2.202.343 shares of DKK 1.000

NOTES

Note

Other provisions 12
Other provisions is related to estimated warranty liabilities ets.
The due amount within 1 year is estimated to be approximately 11.5 MDKK.

Long-term liabilities 13

	1/1 2015 total liabilities	31/12 2015 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group companies...	2.524.531	1.746.891	777.640	0
	2.524.531	**1.746.891**	**777.640**	**0**

Accruals and deferred income 14
Accruals and deferred income is related to deferred income regarding service contracts etc.

Contingencies etc. 15
Joint taxation
The Company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationsselskab) for the Danish joint taxation. The Company is jointly and severally liable with the other jointly taxed companies for payment of corporation tax for the income year 2015 and for withholding tax on interest, royalties and dividends, which are payable on 1 July 2014 or later.

At 31 December 2015, the jointly taxed companies' net liability to SKAT is disclosed in the annual report for Danaher Tax Administration ApS, VAT number - 28 31 68 87. Any subsequent assessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

Rent liabilities
The Company´s intercompany rent liabilities is per 31 December 2015 35.326 TDKK per year. The rent is indexed yearly via the net price index and is interminable until 1st of January 2017.

Rent liabilities regarding external rent leases, equal to lease liability in the notice period, is 2.036 TDKK.

The Company has car lease liabilities of 7.070 TDKK.

Bank guarantees of 4.723 TDKK has been established through the Company´s banks

The Company guarantees for Group companies related cash pool credit limit of TDKK 60.000

NOTES

Note

Related parties **16**

Radiometer Medical ApS defines related parties as:

DHRAD ApS (parent company, shareholder)
Åkandevej 21
2700 Brønshøj
Danmark

Danaher Corporation (main parent company in the Group)
2200 Pennsylvania Avenue, NW
Suite 800W
Washington, DC 20037
USA
(NYSE: DHR)

	2015 DKK '000	2014 DKK '000	
Fee to auditors appointed by the General Meeting			**17**
Statutory audit	1.150	1.150	
Other services	0	1	
	1.150	**1.151**	