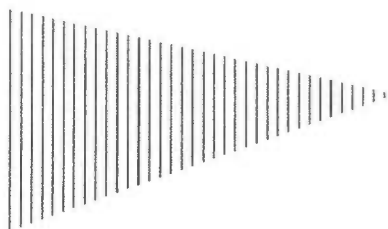


EBI Atlantic A/S

Park Allé 34, 6600 Vejen

CVR no. 28 51 96 05



Annual report 2015

Approved at the annual general meeting of shareholders on

Chairman:

31/6/2016



Building a better
working world



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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 EBI Atlantic A/S for the financial year 1 January - 31 December 2015.

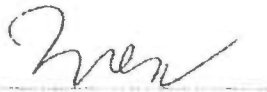
The annual report is prepared in accordance with the Danish Financial Statements Act.

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 for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

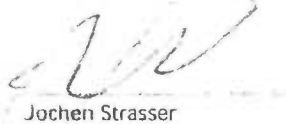
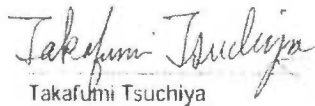
We recommend that the annual report be approved at the annual general meeting.

Vejen, 3 June 2016
Executive Board:



Tien Ba Cao

Board of Directors:


Andreas Klaus Oswald Raps
Chairman
Jochen Strasser
Michael Godeke Stomberg
Takafumi Tsuchiya
Yasunari Unemura
Norio Uemura

Independent auditors' report

To the shareholders of EBI Atlantic A/S

Independent auditors' report on the financial statements

We have audited the financial statements of EBI Atlantic A/S for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of 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.

Auditors' 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 regulations. 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 for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

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

Aarhus, 3 June 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28



Lone Nørgaard Eskildsen
State Authorised Public Accountant



Management's review

Company details

Name EBI Atlantic A/S
Address, Postal code, City Park Allé 34, 6600 Vejlen

CVR No. 28 51 96 05
Registered office Vejlen
Financial year 1 January - 31 December

Board of Directors Andreas Klaus Oswald Raps, Chairman
Jochen Strasser
Michael Godeke Stomberg
Takafumi Tsuchiya
Yasunari Unemura
Norio Uemura

Executive Board Tien Ba Cao

Auditors Ernst & Young Godkendt Revisionspartnerselskab
Værkmestergade 25, P O Box 330, 8100 Aarhus C, Denmark



Management's review

Operating review

The Company's business review

The activity of the Company is to own investments in subsidiaries in Europe, Africa and North, South and Central America.

Financial review

The income statement for 2015 shows a profit of EUR 13,425 thousand against a profit of EUR 24,524 thousand last year, and the balance sheet at 31 December 2015 shows equity of EUR 121,126 thousand.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Financial statements for the period 1 January - 31 December

Income statement

Note	EUR'000	2015	2014
	Administrative expenses	-55	-96
	Operating profit/loss	-55	-96
	Income from investments in group entities	13,239	24,659
2	Financial income	475	18
3	Financial expenses	-2	-2
	Profit before tax	13,657	24,579
4	Tax for the year	-232	-55
	Profit for the year	13,425	24,524
	Proposed profit appropriation	13,425	24,524
	Retained earnings	13,425	24,524



Financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR'000	2015	2014
	ASSETS		
	Non-current assets		
5	Investments		
	Investments in group entities, net asset value	92,337	107,733
		<u>92,337</u>	<u>107,733</u>
	Total non-current assets	<u>92,337</u>	<u>107,733</u>
	Current assets		
	Receivables		
	Receivables from group entities	30,929	19,524
	Income taxes receivable	0	52
	Deferred income	31	0
		<u>30,960</u>	<u>19,576</u>
	Total current assets	<u>30,960</u>	<u>19,576</u>
	TOTAL ASSETS	<u>123,297</u>	<u>127,309</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	128	128
	Retained earnings	120,998	127,141
	Total equity	<u>121,126</u>	<u>127,269</u>
	Provisions		
5	Provision, investments in group entities	2,026	0
	Total provisions	<u>2,026</u>	<u>0</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group entities	1	1
	Income taxes payable	133	0
	Other payables	11	39
		<u>145</u>	<u>40</u>
	Total liabilities other than provisions	<u>145</u>	<u>40</u>
	TOTAL EQUITY AND LIABILITIES	<u>123,297</u>	<u>127,309</u>

1 Accounting policies
7 Collateral
8 Contractual obligations and contingencies, etc.
9 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

EUR'000	Share capital	Retained earnings	Total
Equity at 1 January 2015	128	127,141	127,269
Profit/loss for the year	0	13,425	13,425
Exchange adjustment	0	-3,068	-3,068
Dividend distributed	0	-16,500	-16,500
Equity at 31 December 2015	128	120,998	121,126

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of EBI Atlantic A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared. The financial statements for EBI Atlantic A/S and its group entities are part of the consolidated financial statements for Freudenberg & Co. KG which can be found at www.freudenberg.com.

Reporting currency

The financial statements are presented in EUR, as the entity's most significant transactions are settled in EUR.

Foreign currency translation

Transactions denominated in foreign currencies are translated into euros at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into euros at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Administrative expenses

Administrative expenses comprise expenses incurred during the year for company management and administration.

Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses.

Tax

The parent company is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The parent company is the management company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

On payment of joint taxation contributions, the current Danish corporation tax charge is allocated between the jointly taxed enterprises in proportion to their taxable income. Enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current corporation tax, joint taxation contributions for the year and changes in deferred tax for the year – including changes resulting from changes in the tax rate. 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

Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

Impairment of non-current assets

Intangible assets, property, plant and equipment and investments in subsidiaries and associates are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of goodwill and thereafter proportionately in respect of the other assets.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Proposed dividends

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporation 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. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent is liable for the subsidiaries' income taxes vis-à-vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivables are recognised in the balance sheet as income tax receivable or payable.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net 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 the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.



Financial statements for the period 1 January - 31 December

Notes to the financial statements

2	Financial income		
	Interest receivable, associates	0	17
	Other financial income	475	1
		<u>475</u>	<u>18</u>
3	Financial expenses		
	Interest expenses, associates	1	0
	Other financial expenses	1	2
		<u>2</u>	<u>2</u>
4	Tax for the year		
	Estimated tax charge for the year	186	55
	Tax adjustments, prior years	46	0
		<u>232</u>	<u>55</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 Investments

EUR'000	Investments in group entities, net asset value
Cost at 1 January 2015	139,341
Cost at 31 December 2015	139,341
Value adjustments at 1 January 2015	-31,608
Exchange adjustment	-3,068
Dividend distributed	-27,593
Share of the profit/loss for the year	13,239
Transferred to provisions, investment in group entities	2,026
Value adjustments at 31 December 2015	-47,004
Carrying amount at 31 December 2015	92,337

Of the total carrying amount, negative net assets in group entities, EUR 2,026 thousand have been recognised under provisions.

EUR'000	Legal form	Domicile	Interest
Subsidiaries			
EagleBurgmann Austria GmbH	Limited company	Austria	100.00 %
EagleBurgmann Production Center Judenburg GmbH	Limited company	Austria	100.00 %
EagleBurgmann Belgium B.V.B.A.	Limited company	Belgium	100.00 %
EagleBurgmann (Switzerland) AG	Limited company	Switzerland	100.00 %
EagleBurgmann s.r.o.	Limited company	The Czech Republic	100.00 %
EagleBurgmann S.A.S.	Limited company	France	100.00 %
EagleBurgmann BT S.p.A.	Limited company	Italy	100.00 %
EagleBurgmann Italia S.r.l.	Limited company	Italy	100.00 %
EagleBurgmann Ibérica S.A.	Limited company	Spain	100.00 %
EagleBurgmann Hungária Kft.	Limited company	Hungary	100.00 %
EagleBurgmann Norway AS	Limited company	Norway	100.00 %
EagleBurgmann Sweden AB	Limited company	Sweden	100.00 %
EagleBurgmann B.V.	Limited company	The Netherlands	100.00 %
Burgmann Industries Holding GmbH	Limited company	Germany	100.00 %
EagleBurgmann Endüstriyel Sızdırmazlık Sanyai ve Ticaret Limited Sirketi	Limited company	Turkey	99.99 %
EagleBurgmann Seals South Africa (Proprietary) Ltd.	Limited company	South Africa	100.00 %



Financial statements for the period 1 January - 31 December

Notes to the financial statements

EagleBurgmann KE A/S	Limited company	Denmark	100.00 %
EagleBurgmann do Brazil-Verdacoes Industrialis Ltda.	Limited company	Brazil	99.93 %
EagleBurgmann Mexico S.A. de C.V.	Limited company	Mexico	99.99 %
EagleBurgmann Production Center Americas S.A. de C.V.	Limited company	Mexico	99.99 %
EagleBurgmann de Venezuela C.A.	Limited company	Venezuela	55.00 %
EagleBurgmann Nova Magnetics Ltd.	Limited company	Canada	100.00 %
EagleBurgmann OOO	Limited company	Russia	100.00 %
EagleBurgmann Canada Inc.	Limited company	Canada	100.00 %
EagleBurgmann Colombia S.A.S.	Limited company	Colombia	100.00 %

Financial statements for the period 1 January - 31 December

Notes to the financial statements

EUR'000	2015	2014
6 Share capital		
The share capital consists of the following:		
8,500 shares of EUR 15.00 each	128	128
	<u>128</u>	<u>128</u>

The Company's share capital has remained EUR 128 thousand over the past 5 years.

7 Collateral

The Company has not placed any assets or other as security for loans at 31/12 2015.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

9 Related parties

EBI Atlantic A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Burgmann International GmbH	Äussere Sauerlacher Str. 6-10, Wolfratshausen, Germany	Participating interest
Eagle Industry Co. Ltd.	1-12-15 Shiba Daimon, Minato-ku, Tokyo, Japan	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Freudenberg & Co. KG	Höhnerweg 2-4, D69469 Weinheim, Germany	Höhnerweg 2-4, D69469 Weinheim, Germany or www.freudenberg.com under Home - Press - Publications