
Howden Holdings ApS

Industrivej 23, DK-4700 Næstved

Annual Report for 1 January - 31 December 2015

CVR No 29 61 64 50

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
16/6 2016

Kenneth Ladefoged
Petersen
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Howden Holdings ApS 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 financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Næstved, 16 June 2016

Executive Board

Kenneth Ladefoged Petersen

Board of Directors

Allan Jan Formann Kristensen
Chairman

Mark Paul Lehman

Kenneth Ladefoged Petersen

Independent Auditor's Report on the Financial Statements

To the Shareholder of Howden Holdings ApS

Report on the Financial Statements

We have audited the Financial Statements of Howden Holdings ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and 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 as 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, 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 audit opinion.

Our audit has not resulted in any qualification.

Opinion

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

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Frederiksberg, 16 June 2016

Ernst & Young

Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Brian Stubtoft

statsautoriseret revisor

Company Information

The Company

Howden Holdings ApS
Industrivej 23
DK-4700 Næstved

CVR No: 29 61 64 50
Financial period: 1 January - 31 December
Municipality of reg. office: Næstved

Board of Directors

Allan Jan Formann Kristensen, Chairman
Mark Paul Lehman
Kenneth Ladefoged Petersen

Executive Board

Kenneth Ladefoged Petersen

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
P O Box 250
DK-2000 Frederiksberg

Bankers

Danske Bank

Management's Review

Main activity

The Company's main activity is to act as a holding company for Howden Group's activities in more countries worldwide.

Development in the year

The income statement of the Company for 2015 shows a loss of EURk 2,099, and at 31 December 2015 the balance sheet of the Company shows equity of EURk 245,403.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> EURk	<u>2014</u> EURk
Gross profit/loss		0	-7
Financial income	1	2	2
Financial expenses	2	<u>-2.619</u>	<u>-2.807</u>
Resultat før skat		-2.617	-2.812
Tax on profit/loss for the year	3	<u>518</u>	<u>689</u>
Net profit/loss for the year		<u>-2.099</u>	<u>-2.123</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-2.099</u>	<u>-2.123</u>
		<u>-2.099</u>	<u>-2.123</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2015</u> EURk	<u>2014</u> EURk
Investments in subsidiaries	4	377.011	374.075
Fixed asset investments		377.011	374.075
Fixed assets		377.011	374.075
Corporation tax		615	785
Receivables		615	785
Cash at bank and in hand		6	6
Currents assets		621	791
Assets		377.632	374.866

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2015</u> EURk	<u>2014</u> EURk
Share capital		217.818	217.818
Retained earnings		27.585	29.684
Equity	5	<u>245.403</u>	<u>247.502</u>
Trade payables		7	7
Payables to group enterprises		132.222	127.357
Short-term debt		<u>132.229</u>	<u>127.364</u>
Debt		<u>132.229</u>	<u>127.364</u>
Liabilities and equity		<u>377.632</u>	<u>374.866</u>
Contingent assets, liabilities and other financial obligations	6		
Related parties	7		

Statement of Changes in Equity

	<u>Share capital</u> EURk	<u>Retained earnings</u> EURk	<u>Total</u> EURk
Equity at 1 January	217.818	29.684	247.502
Net profit/loss for the year	0	-2.099	-2.099
Equity at 31 December	217.818	27.585	245.403

Notes to the Financial Statements

	2015 EURk	2014 EURk
1 Financial income		
Other financial income	2	0
Exchange adjustments	0	2
	<u>2</u>	<u>2</u>
2 Financial expenses		
Interest paid to group enterprises	2.618	2.799
Exchange adjustments	1	8
	<u>2.619</u>	<u>2.807</u>
3 Tax on profit/loss for the year		
Current tax for the year	-615	-689
Adjustment of tax concerning previous years	97	0
	<u>-518</u>	<u>-689</u>
4 Investments in subsidiaries		
Cost at 1 January	379.947	379.947
Additions for the year	2.936	0
Cost at 31 December	<u>382.883</u>	<u>379.947</u>
Revaluations at 1 January	-5.872	-5.872
Revaluations at 31 December	-5.872	-5.872
Carrying amount at 31 December	<u>377.011</u>	<u>374.075</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
1. Howden Axial Fans ApS (DKKk)**	Denmark	100%	381.659	76.832
1.1. I/S Suså (DKKk)	Denmark	50%	15.238	618
2. Howden Engineering (South East Asia) Ltd. (HKDk)***	Hong Kong	100%	763.117	207.411

Notes to the Financial Statements

4 Investments in subsidiaries (continued)

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
2.1. Howden Hua Engineering Company Ltd. (CNYk)***	China	70%	896.666	258.655
3. Howden Covent Fans Inc. (CADk)***	USA	100%	20.621	7.822
4. Howden Alphair Ventilating Systems Inc. (CADk)***	Canada	100%	-2.834	-2.778
5. Howden Turbo Fans Oy (EURk)*	Finland	100%	3.024	1.933
6. Howden Axial Fans AB (SEKk)*	Sweden	100%	81.205	37.643
7. Howden Water Technology A/S (DKKk)**	Denmark	100%	1.127	-132
8. Howden Group South Africa Ltd. (ZARK)***	South Africa	100%	157.230	57
8.1. Howden Africa Holdings Ltd. (ZARK)***	South Africa	55%	652.627	485.508
8.1.1. Howden Africa (Pty) Ltd. (ZARK)*	South Africa	100%	539.966	196.042
8.1.1.1. Howden Donkin (Pty) Ltd. (ZARK)*	South Africa	100%	14.845	2.179
8.1.1.2. James Howden Holdings Ltd. (ZARK)***	South Africa	100%	223.031	44.871
8.2. Howden Investments Ltd. (USDk)***	Jersey	100%	53.750	0
8.2.1. Howden Australia Pty Ltd (AUDk)*	Australia	97%	23.103	6.336
8.2.1.1. Austcold Refrigeration Pty Ltd (AUDk)***	Australia	100%	-5.071	425
8.2.1.2. Howden Melbourne Pty Ltd (AUDk)***	Australia	100%	8.108	816
9. HE Deutschland Holdings GmbH (EURk)***	Germany	42%	75.440	-2.170
9.1. Howden Turbowerke GmbH (EURk)*	Germany	100%	2.339	0
9.2. Howden Ventilatoren GmbH (EURk)*	Germany	100%	3.057	0
9.3. Howden Group Ltd. (GBPk)*	United Kingdom	17%	131.464	-15.450
9.3.1. Howden Compressors Ltd (GBPk)*	United Kingdom	100%	33.041	6.047
9.3.2. James Howden & Godfrey Overseas Ltd. (GBPk)*	United Kingdom	100%	983	-36
9.3.3. James Howden & Co. Ltd. (GBPk)*	United Kingdom	100%	32.615	1.708
9.3.3.1. Wirth Howden Ltd. (GBPk)***	United Kingdom	100%	0	0
9.3.3.2. Engart Fans Ltd. (GBPk)***	United Kingdom	100%	0	0
9.3.4. Howden Sirocco Group Ltd. (GBPk)***	United Kingdom	100%	0	0
9.3.4.1. Howden UK Ltd. (GBPk)*	United Kingdom	100%	46.403	17.045

* Above information is from the Annual Report 2014.

** Above information is from the Annual Report 2015.

*** Equity and Net profit/loss for the year is based on internal consolidated reporting using US GAAP. No Annual Report is prepared.

Notes to the Financial Statements

5 Equity

The share capital consists of 217,818,343 shares of a nominal value of EUR 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to EURk 0. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

7 Related parties

Basis

Controlling interest

Howden International Holdings B.V., Holland
Colfax Corporation

Parent Company
Ultimate Parent Company

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company Colfax Corporation.

The Group Annual Report may be obtained at the following address:

http://ir.colfaxcorp.com/annuals_proxy.cfm

Accounting Policies

Basis of Preparation

The Annual Report of Howden Holdings ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in EUR.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Colfax Corporation, the Company has not prepared consolidated financial statements.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Accounting Policies

The Company is jointly taxed with all Danish group entities. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Accounting Policies

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.