

Eberspächer Danmark ApS

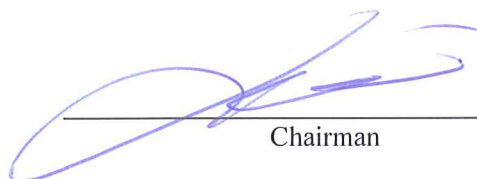
Literbuen 9

2740 Skovlunde

CVR no. 31 49 56 28

Annual report 2015

The annual report was presented and
adopted at the annual general meeting of
the Company on 15 February 2016



Chairman

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Financial statements 1 January - 31 December

Statement of the Executive Board

The Executive Board has today discussed and approved the annual report of Eberspächer Danmark ApS for the financial year 1 January - 31 December 2015.

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

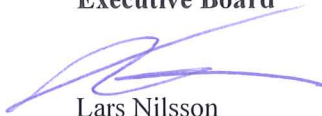
It is my opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the year 1 January - 31 December 2015.

In my opinion, Management's Review includes a fair review of the development in the Company's operations and financial conditions, the results for the year and financial position.

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

Skovlunde, 15 February 2016

Executive Board



Lars Nilsson
CEO

Financial statements 1 January - 31 December

Independent Auditor's Report

To the Shareholder of Eberspächer Danmark ApS

Report on the financial statements

We have audited the financial Statements of Eberspächer Danmark ApS for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes, for the Company. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the financial statements

The 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 the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as the overall presentation of the financial statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements gives 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 in accordance with the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Independent Auditor's Report

Statement on Management's review

Pursuant to 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.

København, 15 February 2016

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 25 57 81 98



Casper Garrelts
State Authorised Public Accountant

Financial statements 1 January - 31 December

Company Information

The Company

Eberspächer Danmark ApS
Literbuen 9
2740 Skovlunde

Telephone: 44853030

Central Business Registration no.: 31 49 56 28
Financial Period: 1 January - 31 December
Incorporated: 1 June 2008
Municipality of reg. office: Skovlunde

Executive Board

Lars Nilsson, CEO

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

General meeting

The Annual General Meeting is held on 15. februar 2016 at the company's address.

Financial statements 1 January - 31 December

Management's Review

Core activity

The principal activities of the Company comprise purchase and sale of car heaters and related components as well as other related business.

Development in the year

The Company's income statement for 2015 shows a profit of DKK 375 thousand (2014: DKK 8 thousand). The balance sheet at 31 December 2015 shows equity of DKK 607 thousand (2014: DKK 232 thousand).

Management considers the results going in the right direction but additional initiatives to increase sales with maintained lower cost structure are needed to achieve long-term satisfactory result.

Significant events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the assessment of the Company's financial position.

Financial statements 1 January - 31 December

Accounting policies

The Annual Report of Eberspächer Danmark ApS for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in 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.

Income Statement

Revenue

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

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

Other external costs

Other external costs comprise costs for distribution, sales, advertising, administration, premises, losses on debtors, operating leases, etc.

Gross profit

With reference to Section 32 of the Danish Financial Statements Act, the income statement items revenue until and including other external costs have been combined to the item gross profit.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 January - 31 December

Accounting policies

Financial income and expenses

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.

Tax on profit/loss

Tax for the year comprises current tax for the year and changes in deferred tax. 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. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Intangible assets

Intangible assets comprise software licenses and other acquired rights. Intangible assets are measured at cost less accumulated amortisation and impairment loss.

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

Software	3	years
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Gains and losses on the disposal of intangible assets 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.

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

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

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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

Fixtures and fittings, tools and equipment	5	years
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Financial statements 1 January - 31 December

Accounting policies

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.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash which are subject to only an insignificant risk of changes in value.

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 measured on the planned use of the asset or settlement of the liability.

Financial statements 1 January - 31 December

Accounting policies

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.

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 or equity, respectively.

Other liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Income statement 1 January - 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Gross profit		3,342,399	2,792,360
Staff costs	1	<u>-2,819,132</u>	<u>-2,729,403</u>
Profit before financial income and expenses		523,267	62,957
Financial income		218	0
Financial costs		<u>-148,232</u>	<u>-53,021</u>
Profit before tax		375,253	9,936
Tax on profit for the year	2	<u>0</u>	<u>-2,139</u>
Profit for the year		<u>375,253</u>	<u>7,797</u>
Proposed distribution of profit			
Retained earnings		<u>375,253</u>	<u>7,797</u>
		<u>375,253</u>	<u>7,797</u>

Financial statements 1 January - 31 December

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Assets			
IT Software		<u>0</u>	<u>0</u>
Intangible assets	3	<u>0</u>	<u>0</u>
Fixtures and fitting, tools and equipment		<u>0</u>	<u>0</u>
Tangible assets	4	<u>0</u>	<u>0</u>
Trade receivables		2,579,459	2,657,937
Receivables from subsidiaries		317,172	370,000
Other receivables		154,716	210,997
Deferred tax asset		<u>15,687</u>	<u>15,687</u>
Receivables		<u>3,067,034</u>	<u>3,254,621</u>
Cash at bank and in hand		<u>115,736</u>	<u>479,391</u>
Total current assets		<u>3,182,770</u>	<u>3,734,012</u>
Total assets		<u><u>3,182,770</u></u>	<u><u>3,734,012</u></u>

Financial statements 1 January - 31 December

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> DKK	<u>2014</u> DKK
Liabilities and equity			
Share capital		127,000	127,000
Retained earnings		<u>480,372</u>	<u>105,119</u>
Total equity	5	<u>607,372</u>	<u>232,119</u>
Trade payables		78,549	63,277
Payables to group enterprises		604,521	1,817,259
Other payables		<u>1,892,328</u>	<u>1,621,357</u>
Short-term debt		<u>2,575,398</u>	<u>3,501,893</u>
Total debt		<u>2,575,398</u>	<u>3,501,893</u>
Total equity and liabilities		<u>3,182,770</u>	<u>3,734,012</u>
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Related parties disclosures	7		

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	<u>2015</u>	<u>2014</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	2,499,065	2,430,131
Pensions	254,832	242,646
Other social security costs	32,067	35,896
Other staff costs	<u>33,168</u>	<u>20,730</u>
	<u>2,819,132</u>	<u>2,729,403</u>
2 Tax on profit/loss for the year		
Deferred tax for the year	<u>0</u>	<u>2,139</u>
	<u>0</u>	<u>2,139</u>

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3 Intangible assets

	IT Software
	DKK
Cost at 1 January 2015	487,193
Additions for the year	0
Disposals for the year	0
Cost at 31 December 2015	<u>487,193</u>
Impairment losses and amortisation at 1 January 2015	487,193
Depreciation for the year	0
Impairment losses and amortisation at 31 December 2015	<u>487,193</u>
Carrying amount at 31 December 2015	<u><u>0</u></u>

4 Tangible assets

	Fixtures and fitting, tools and equipment
	DKK
Cost at 1 January 2015	408,422
Additions for the year	0
Disposals for the year	0
Cost at 31 December 2015	<u>408,422</u>
Impairment losses and depreciation at 1 January 2015	408,422
Depreciation for the year	0
Impairment losses and depreciation at 31 December 2015	<u>408,422</u>
Carrying amount at 31 December 2015	<u><u>0</u></u>

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5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2015	127,000	105,119	232,119
Net profit/loss for the year	0	375,253	375,253
Equity at 31 December 2015	127,000	480,372	607,372

The share capital consists of 127 shares of a nominal value of DKK 1,000 each. No shares carry any special rights.

Changes in share capital are specified as follows:

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 January 2015	127,000	127,000	126,000	126,000	125,000
Additions for the year	0	0	1,000	0	1,000
Share capital at 31 December 2015	127,000	127,000	127,000	126,000	126,000

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6 Contingent assets, liabilities and other financial obligations

Rent obligation, operating lease obligations

At 31 December 2015 the Company has the following contractual obligations and contingencies:

Rent obligation DKK 153,540 (2014: 350,080)

Operating lease obligations DKK 149,400 (2014: 393,886)

Total obligations DKK 302,940 (2014: 743,966).

The rent obligation relates to a six-month notice period.

Maturities of lease obligations are 12 to 18 months from the balance sheet date.

7 Related parties disclosures

Eberspächer AB owns 100% of the share capital.

The consolidated financial statements of Eberspächer Danmark ApS can be obtained at the following addresses:

Eberspächer Climate Control Systems GmbH & Co. KG (Ultimate group)
Eberspächerstrasse 24
73730 Esslingen
Germany

Eberspächer AB (Immediate group)
Kardanvägen 34
461 38 Trollhättan
Sweden

Other related parties comprise of other group companies and the Company's management.