

Annual report

2013



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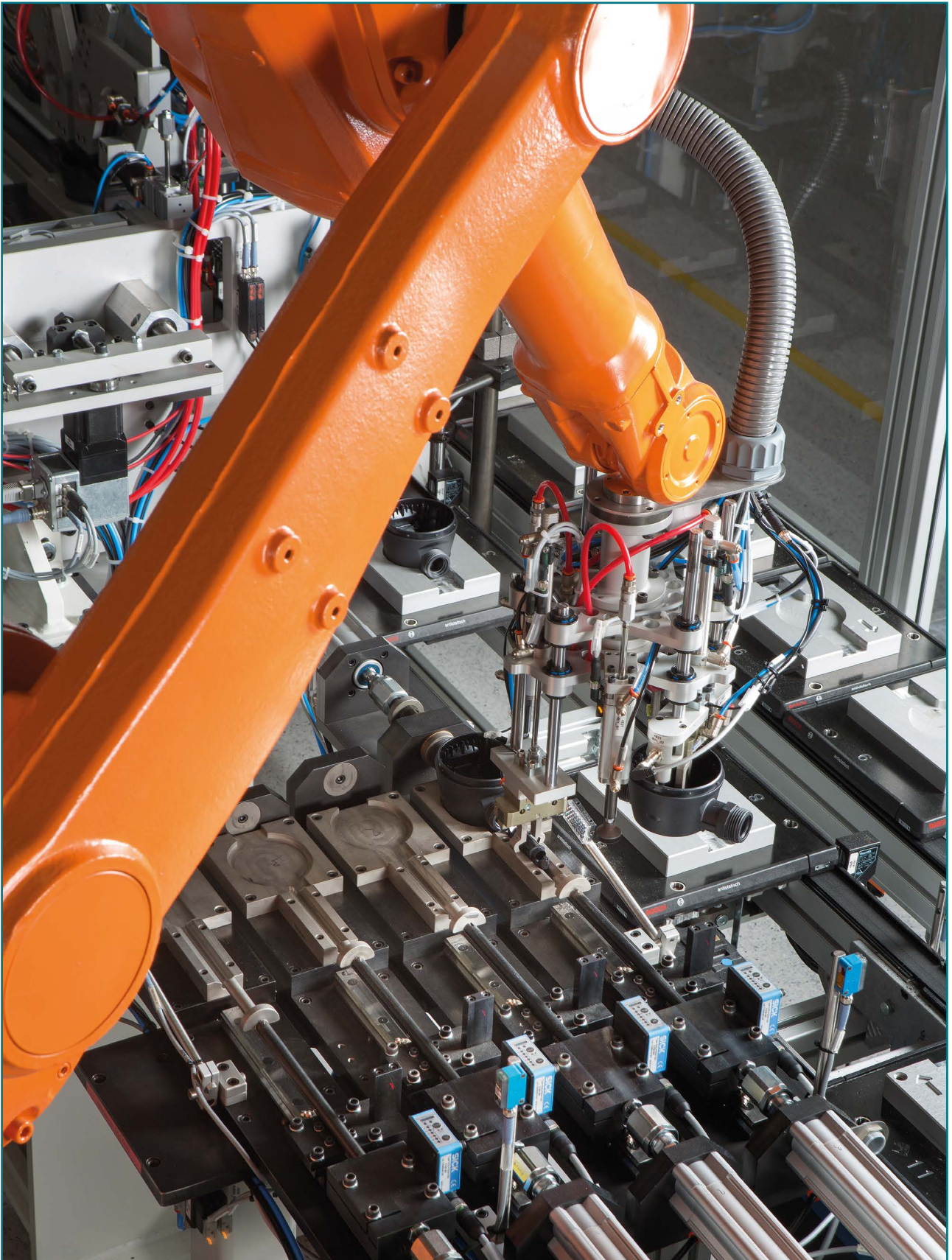
Management's review

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Consolidated financial statements and parent company financial statements for 1 January – 31 December

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The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.



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 Kamstrup A/S for the financial year 1 January – 31 December 2013.

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

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2013 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2013.

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

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

Aarhus, 18 March 2014

Executive Board:

Per Asmussen

Board of Directors:

Jørgen Wisborg
Chairman

Flemming Rasmussen
Vice-chairman

Erik Larsen

Dan Korsgaard

Tina H. Amdisen
Elected by the employees

Tove Mikkonen
Elected by the employees

Independent auditors' report

To the shareholder of Kamstrup A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Kamstrup A/S for the financial year 1 January – 31 December 2013. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet and notes for the Group as well as for the parent company and consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2013 and of the results of the Group's and the parent company's operations and consolidated cash flows for the financial year 1 January – 31 December 2013 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 further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus ,18. March 2014

KPMG

Statsautoriseret Revisionspartnerselskab

Claus Hammer-Pedersen
State Authorised
Public Accountant



Management's review

Kamstrup A/S
Industrivej 28, Stilling
DK-8660 Skanderborg

Telephone: +45 89 93 10 00
Telefax: +45 89 93 10 01
Website: www.kamstrup.dk
E-mail: info@kamstrup.dk
Reg. No.: 21 24 81 18
Established: 28. august 1931 (founded in 1946)
Registered office: Skanderborg

Board of Directors

Jørgen Wisborg, Chairman
Flemming Rasmussen
Erik Larsen
Dan Korsgaard
Tina H. Amdisen
Tove Mikkonen

Executive Board

Per Asmussen

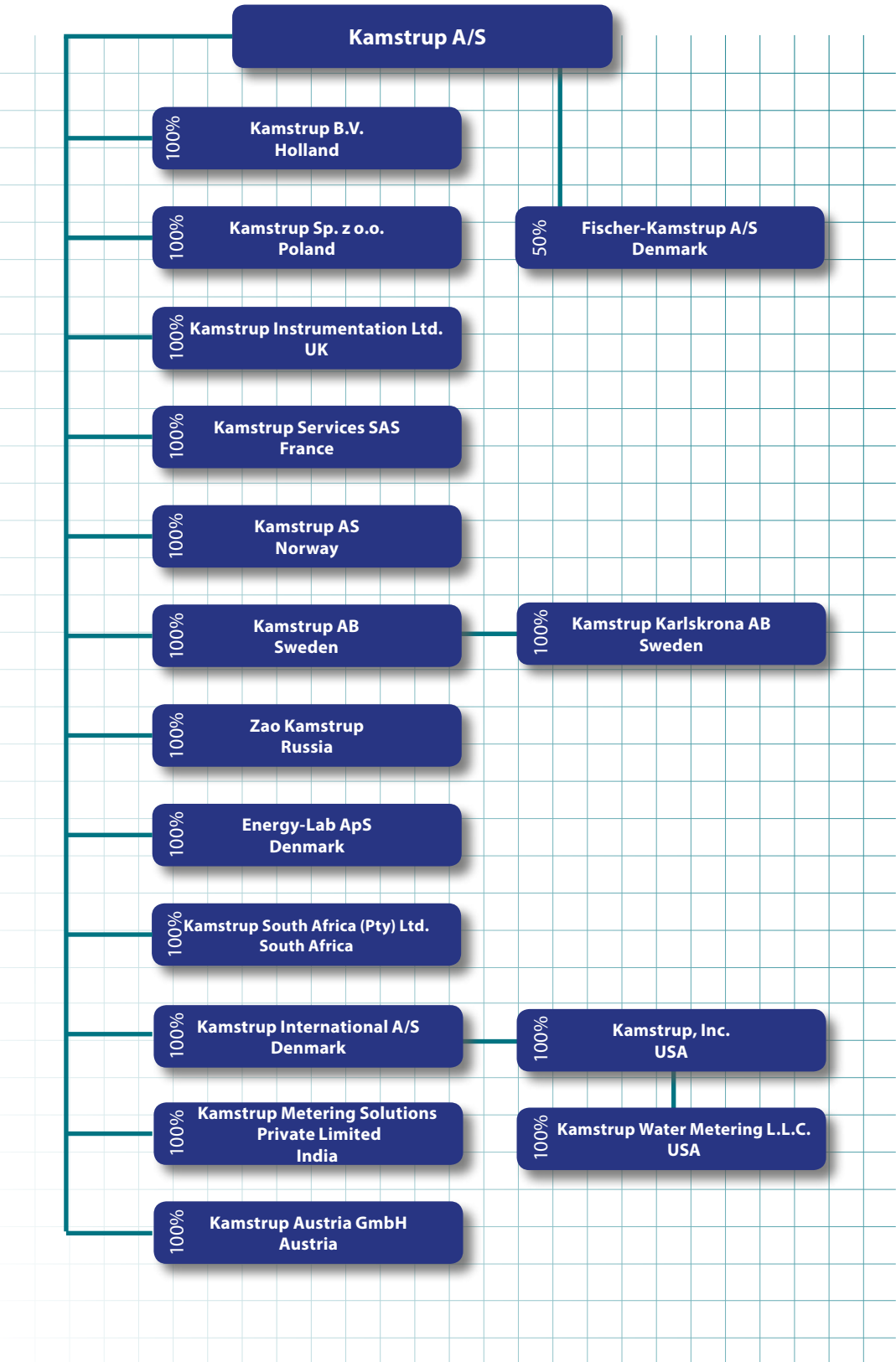
Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bruun's Galleri
DK-8100 Aarhus C

Annual general meeting

The annual general meeting is to be held on 18 March 2014.

Group chart



Financial highlights for the Group

| DKKm | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|--------------|--------------|--------------|--------------|--------------|
| Key figures | | | | | |
| Revenue | 1.289,1 | 1.257,1 | 1.180,4 | 918,0 | 842,1 |
| Operating profit | 186,9 | 197,9 | 209,6 | 122,0 | 28,8 |
| Financial income and expenses | -5,4 | -7,7 | -5,1 | -7,1 | -5,1 |
| Profit before tax | 182,5 | 191,0 | 205,1 | 115,7 | 26,6 |
| Profit for the year | 145,7 | 144,7 | 151,7 | 93,8 | 10,0 |
| Non-current assets | 310,0 | 301,9 | 249,5 | 198,5 | 210,5 |
| Current assets | 441,1 | 420,7 | 394,8 | 411,8 | 341,9 |
| Total assets | 751,1 | 722,6 | 644,3 | 610,3 | 552,4 |
| Share capital | 14,0 | 14,0 | 14,0 | 14,0 | 14,0 |
| Equity | 415,7 | 375,3 | 349,1 | 293,4 | 210,5 |
| Provisions | 42,2 | 31,9 | 20,2 | 9,5 | 19,2 |
| Current liabilities other than provisions | 215,5 | 248,1 | 201,6 | 225,6 | 162,7 |
| Liabilities other than provisions | 293,2 | 315,4 | 275,0 | 304,7 | 321,2 |
| Investments in property, plant and equipment | -46,0 | -77,9 | -71,3 | -20,4 | -26,2 |
| Cash flows from operating and investing activities | 172,8 | 54,7 | 42,3 | 121,1 | 156,6 |
| Financial ratios | | | | | |
| Operating margin | 15 | 16 | 18 | 13 | 3 |
| Return on investment | 40 | 47 | 57 | 35 | 8 |
| Current ratio | 205 | 170 | 196 | 183 | 210 |
| Solvency ratio | 55 | 52 | 54 | 48 | 38 |
| Return on equity | 37 | 40 | 47 | 37 | 5 |
| Average number of employees | 834 | 761 | 721 | 635 | 681 |

The financial ratios are computed as follows:

| | |
|-----------------------------|---|
| Operating margin | $\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$ |
| Return on investment | $\frac{\text{Operating profit/loss} \times 100}{\text{Average operating assets}}$ |
| Current ratio | $\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$ |
| Solvency ratio | $\frac{\text{Equity excl. non-controlling interests, year end} \times 100}{\text{Total liabilities, year end}}$ |
| Return on equity | $\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$ |

*Invested capital:

Operating intangible assets and property, plant and equipment as well as net working capital

Operating review

Principal activities

Kamstrup A/S Group develops, produces and sells electric meters for reading heat and water consumption and relating reading systems to utilities and other users over the entire world. The head office is located in Stilling, south of Aarhus, and houses development, administration, sales and automated production.

Generally, Kamstrup develops all its products and manufactures them on its highly automated factories in the Nordic countries.

Kamstrup has set up branches in Sweden, Norway, the UK, Holland, Poland, France, Russia, Estonia, Finland, Germany, Switzerland, Austria, Spain, the Czech Republic, Romania, Serbia, Dubai, Singapore, India, China, the USA, Chile and South Africa. The Company's products are sold and marketed through a network of distributors in other countries.

Development in activities and financial position

Profit for the year

Most markets for intelligent energy and water metering experienced a weak or negative growth in 2013, and accordingly, the total world market developed negatively.

In 2013, the Company succeeded in gaining further market shares despite intensified competition, resulting in 3% growth in 2013.

The export markets account for the majority of growth. In 2013, the Company opened its own offices in Austria, the USA and Chile. Exports account for more than 80% of the Company's sale.

The growth is primarily a result of recent years' efforts within product development with a number of successful product launches. These have strengthened Kamstrup's competitiveness, partly through increased product functionality and partly by reduced manufacturing costs. Regular investments in manufacturing automation have also contributed to these reductions and thereby to improved competitiveness together with a high and consistent quality level.

Substantial improvements arising from Lean activities have also improved productivity.

Despite major investments in 2013, Kamstrup is in a sound financial position.

Considerable efforts within marketing and product development again in 2013 implied an increase in capacity costs and are expected to contribute to increasing market shares going forward.

Considering the general market development and considerable costs for the development of future markets and products in 2013, the profit for the year is considered extremely satisfactory.

Management's review

Markets and outlook

In 2014, Kamstrup is expected to gain additional market shares on a number of markets, resulting in increasing revenue, primarily as a result of the efforts within product development, production-related development as well as sales activities within several markets.

Kamstrup plans to continuously invest a considerable part of interim results in new product development and production-related development in the coming years

We expect to enjoy further growth in 2014 and to report an even higher profit than in 2013.

Risks

Kamstrup manufactures, sells and installs primarily electric meters for reading heat and water consumption and relating reading systems. The need/market is fairly stable; geographically, there is, however, growth potential. No major general risks are deemed to exist, when the risk of not being at the forefront with technological development, having a high product quality and by acting in a competitive market is disregarded.

Kamstrup's sensitivity to financial risks is very limited. The need for interest-rate and currency hedging instruments is assessed regularly and the instruments are only applied based on commercial needs in order to hedge future cash flows. The risk of losses on customers is, in general, minimised by means of credit lines and by obtaining credit information. Kamstrup's creditworthiness is high.

Intellectual capital

Kamstrup has reliable, qualified and highly educated employees. The location of the Company facilitates the recruitment of skilled employees within technology, finance, etc.

Management's review

Gender quotation on the Management Board

In the opinion of the Company, diversity – including the representation of both genders – can strengthen cooperation and working environment. It is therefore company policy to increase the share of the underrepresented gender.

Kamstrup is a global high-technology company where specialised, highly qualified employees are decisive. This means that the recruitment basis for a number of executive positions in Kamstrup represents candidates from technical educational institutions. The average share of women who graduated with a degree in engineering in Denmark through the past three years represents approx. 12%. The top management in Kamstrup defined as the Executive Board, executive managers, department managers and others comprise 45 managers, of which the female share represents 11%. It is the Company's goal that the share of managers of the underrepresented gender at least corresponds to the share in the recruitment basis.

The Company has the following policies for complying with its goals:

- Periodic performance reviews must be performed to clarify both male and female employees' ambitions and qualifications in relation to management.
- Executive training must be offered where relevant.
- The Company must perform periodic employee surveys, allowing both male and female managers to have the employees' assessment and feedback on how managerial assignments are performed.

When recruiting executives, the Company is particularly aware of whether candidates from the underrepresented gender are represented.

Goals for the underrepresented gender on the Board of Directors

Kamstrup's Board of Directors is appointed by the parent company, OK a.m.b.a., at the annual general meeting and comprises representatives from OK's Executive Board and Board of Directors as well as an external member. Reference is made to the parent company's (OK's) annual report for 2013.

Corporate social responsibility

In January 2010, Kamstrup acceded to the UN Global Compact. UN Global Compact is the world's largest initiative for enterprises' CSR established by the UN with the purpose of involving private enterprises in solving some of the large social and environmental challenges as a consequence of globalisation.

UN Global Compact asks companies to embrace, support and enact ten principles in the areas of human rights, labour, the environment and anti-corruption and to implement these in their policies.

Kamstrup will continue its efforts within CSR and annually report the results to UN Global Compact.

Further information on CSR at Kamstrup is available at www.kamstrup.com/14069/csr/2013

In 2013, Kamstrup signed a sponsor agreement with the two 49er FX sailors, Ida Marie Nielsen and Marie Olsen.



Consolidated and parent company financial statements for 1 January – 31 December

Accounting policies

The annual report of Kamstrup A/S for 2013 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The accounting policies are consistent with those applied last year.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Kamstrup A/S, and subsidiaries in which Kamstrup A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Acquisitions of enterprises are accounted for using the purchase method. Any excess of the cost of the acquisition over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. At the moment, the useful life is assessed to be five years.

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 at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and 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 at 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.

On recognition of foreign subsidiaries and associates, the income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the

Consolidated and parent company financial statements for 1 January – 31 December

exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates ruling at the balance sheet date are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

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

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables and payables, respectively, and in equity.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. Discounts granted are recognised in revenue

Revenue from sale of goods

Income from the sale of finished goods, comprising electric meters for reading heat and water consumption is recognised in revenue when transfer of the most significant rewards and risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Revenue from sale of services

Income from the provision of services, comprising service contracts, is recognised in revenue on a straight-line basis as the services are provided.

Revenue from systems deliveries

Systems deliveries involving highly customised solutions are recognised in revenue in line with production. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Production costs

Production costs comprise costs, including depreciation and amortisation and salaries, incurred in generating the revenue for the year. Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Consolidated and parent company financial statements for 1 January – 31 December

Distribution costs

Costs incurred in distributing goods sold during the year and in conducting sales campaigns, etc., during the year are recognised as distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as distribution costs.

Administrative expenses

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

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of associates is recognised in both the parent company and the consolidated income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses in respect of 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 for the year

The Company is covered by the Danish rules on compulsory joint taxation of the

OK a.m.b.a. Group's Danish subsidiaries. Danish subsidiaries form part of the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company, OK a.m.b.a., is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by the settlement of joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this relation, enterprises with tax loss carryforwards receive joint taxation contributions from enterprises that have used these losses to reduce their own taxable profits.

Tax for the year comprises joint taxation contributions for the year and changes in deferred tax for the year – due to 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

Intangible assets

Capitalised development costs are measured at cost less accumulated amortisation. Development costs comprise costs, salaries and amortisation directly or indirectly attributable to

Consolidated and parent company financial statements for 1 January – 31 December

the Company's development activities. Capitalised development costs are amortised on a straight-line basis after the completion of the development work over the estimated useful life. The amortisation period is 2-5 years.

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life, which is five years.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, subsuppliers as well as wages and salaries.

The cost of assets held under finance leases is recognised at the lower of the fair value of the assets and the present value of the future lease payments. For the calculation of the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as discount rate.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

| | |
|--|-------------|
| Buildings | 20-25 years |
| Plant and machinery | 5 years |
| Fixtures and fittings, other plant and equipment | 3-7 years |

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by amortisation or depreciation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured in accordance with the equity method.

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds the cost of acquisition.

Consolidated and parent company financial statements for 1 January – 31 December

Inventories

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

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

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery, buildings and equipment as well as factory administration. Borrowing costs are not recognised.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses.

Selling price of systems deliveries

The selling price of systems deliveries is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the individual work in progress.

Individual systems deliveries are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of systems deliveries where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of systems deliveries where progress billings exceed the selling price.

Equity – dividends

Foreslået udbytte indregnes som en forpligtelse på tidspunktet for vedtagelse på den ordinære generalforsamling (deklareringstidspunktet). Udbytte, som forventes udbetalt for året, vises som en særskilt post under egenkapitalen.

Reserve for nettoopskrivning efter den indre værdis metode

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.

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method. The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Corporation tax and deferred tax

Joint taxation contributions payable and receivable are recognised in the balance sheet as amounts owed to/by group enterprises.

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. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Consolidated and parent company financial statements for 1 January – 31 December

Deferred tax assets, including the tax value of tax loss carryforwards, 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 and jurisdiction.

Other provisions

Provisions comprise anticipated costs related to warranties, losses on systems deliveries, unfunded pension obligations, etc.

Financial liabilities

Financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enterprises are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Segment information

Information is provided on business segments and geographical markets. Segment information is based on the Group's accounting policies, risks and internal financial management.



Consolidated and parent company financial statements for 1 January – 31 December

Income statement

| DKK'000 | Note | Consolidated | | Parent company | |
|----------------------------|------|--------------|-----------|----------------|----------|
| | | 2013 | 2012 | 2013 | 2012 |
| Revenue | 1 | 1.289.081 | 1.257.145 | 1.041.803 | 999.681 |
| Production costs | 2 | -775.144 | -746.673 | -676.905 | -648.252 |
| Gross profit | | 513.937 | 510.472 | 364.898 | 351.429 |
| Distribution costs | 2 | -253.111 | -244.908 | -136.128 | -133.413 |
| Administrative expenses | 2,3 | -73.888 | -67.675 | -66.439 | -59.504 |
| Operating profit | | 186.938 | 197.889 | 162.331 | 158.512 |
| Profit in subsidiaries | 9 | 0 | 0 | 27.944 | 31.442 |
| Profit in associates | 10 | 919 | 725 | 919 | 725 |
| Financial income | 4 | 471 | 307 | 857 | 1.500 |
| Financial expenses | 5 | -5.859 | -7.966 | -7.656 | -9.754 |
| Profit before tax | | 182.469 | 190.955 | 184.395 | 182.425 |
| Tax on profit for the year | 6 | -36.759 | -46.216 | -38.685 | -37.686 |
| Profit for the year | | 145.710 | 144.739 | 145.710 | 144.739 |

Proposed profit appropriation

| | | |
|--------------------|---------|---------|
| Proposed dividends | 140.000 | 102.000 |
| Retained earnings | 5.710 | 42.739 |
| | 145.710 | 144.739 |

Consolidated and parent company financial statements for 1 January – 31 December

Balance – Assets

| | Note | Consolidated | | Parent company | |
|--|------|--------------|---------|----------------|---------|
| | | 2013 | 2012 | 2013 | 2012 |
| DKK'000 | | | | | |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | 7 | | | | |
| Finalised development projects | | 55.168 | 51.601 | 54.984 | 50.630 |
| Group goodwill | | 13.009 | 19.152 | 0 | 0 |
| Development projects in progress | | 22.994 | 13.601 | 22.994 | 13.601 |
| | | 91.171 | 84.354 | 77.978 | 64.231 |
| Property, plant and equipment | 8 | | | | |
| Land and buildings | | 113.796 | 114.266 | 113.337 | 113.807 |
| Plant and machinery | | 65.433 | 69.961 | 65.433 | 69.961 |
| Fixtures and fittings, other plant and equipment | | 21.405 | 26.770 | 13.812 | 17.828 |
| Assets in the course of construction | | 14.927 | 2.441 | 13.818 | 2.376 |
| | | 215.561 | 213.438 | 206.400 | 203.972 |
| Investments | | | | | |
| Investments in subsidiaries | 9 | 0 | 0 | 123.151 | 120.020 |
| Investments in associates | 10 | 1.376 | 2.206 | 1.376 | 2.206 |
| Deposits | | 1.897 | 1.878 | 503 | 749 |
| | | 3.273 | 4.084 | 125.030 | 122.975 |
| Total non-current assets | | 310.005 | 301.876 | 409.408 | 391.178 |
| Current assets | | | | | |
| Inventories | | | | | |
| Raw materials and consumables | | 125.628 | 129.137 | 107.875 | 108.485 |
| Work in progress | | 2.619 | 5.628 | 2.355 | 4.913 |
| Finished goods | | 18.197 | 7.040 | 12.072 | 3.487 |
| | | 146.444 | 141.805 | 122.302 | 116.885 |
| Receivables | | | | | |
| Trade receivables | | 131.077 | 155.176 | 83.491 | 100.264 |
| Selling price of systems deliveries | | 53.025 | 67.738 | 46.244 | 57.392 |
| Receivables from subsidiaries | | 0 | 0 | 23.719 | 42.163 |
| Receivables from group enterprises | 15 | 68.608 | 5.785 | 68.608 | 5.785 |
| Deferred tax | 12 | 11.558 | 3.969 | 0 | 0 |
| Corporation tax receivable | 15 | 1.143 | 6.667 | 0 | 195 |
| Other receivables | | 8.854 | 7.481 | 3.635 | 3.471 |
| | | 274.265 | 246.816 | 225.697 | 209.270 |
| Cash at bank and in hand | | 20.430 | 32.087 | 8.415 | 9.586 |
| Total current assets | | 441.139 | 420.708 | 356.414 | 335.741 |
| TOTAL ASSETS | | 751.144 | 722.584 | 765.822 | 726.919 |

Consolidated and parent company financial statements for 1 January – 31 December

Balance – Equity

| | | Consolidated | | Parent company | |
|--|------|--------------|---------|----------------|---------|
| DKK'000 | Note | 2013 | 2012 | 2013 | 2012 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | 11 | | | | |
| Share capital | | 14.000 | 14.000 | 14.000 | 14.000 |
| Reserve for net revaluation according to the equity method | | 1.126 | 1.956 | 0 | 0 |
| Retained earnings | | 260.595 | 257.366 | 261.721 | 259.322 |
| Proposed dividends | | 140.000 | 102.000 | 140.000 | 102.000 |
| Total equity | | 415.721 | 375.322 | 415.721 | 375.322 |
| Provisions | | | | | |
| Deferred tax | 12 | 13.418 | 10.676 | 12.939 | 10.432 |
| Other provisions | 13 | 28.803 | 21.187 | 24.201 | 20.344 |
| Total provisions | | 42.221 | 31.863 | 37.140 | 30.776 |
| Liabilities other than provisions | | | | | |
| Non-current liabilities | 14 | | | | |
| Mortgage credit institutions | | 77.079 | 67.307 | 77.079 | 67.307 |
| Credit institutions | | 159 | 26 | 0 | 0 |
| Lease liabilities | | 481 | 0 | 0 | 0 |
| | | 77.719 | 67.333 | 77.079 | 67.307 |
| Current liabilities | | | | | |
| Current portion of non-current liabilities | | 5.248 | 6.578 | 4.942 | 5.711 |
| Bank loans and overdrafts | | 2.760 | 154 | 0 | 0 |
| Selling price of systems deliveries | | 9.575 | 7.019 | 7.231 | 5.616 |
| Prepayments from customers | | 6.820 | 938 | 0 | 0 |
| Trade payables | | 55.426 | 55.371 | 46.007 | 48.267 |
| Payables to subsidiaries | | 0 | 0 | 76.194 | 64.591 |
| Payables to associates | | 2.642 | 1.147 | 2.642 | 1.147 |
| Payables to group enterprises | 15 | 0 | 28.295 | 0 | 28.295 |
| Payables to group enterprises | 15 | 2.766 | 5.145 | 1.961 | 0 |
| Other payables | | 130.246 | 143.419 | 96.905 | 99.887 |
| | | 215.483 | 248.066 | 235.882 | 253.514 |
| Total liabilities other than provisions | | 293.202 | 315.399 | 312.961 | 320.821 |
| TOTAL EQUITY AND LIABILITIES | | 751.144 | 722.584 | 765.822 | 726.919 |
| Contingent items | 16 | | | | |
| Related parties | 19 | | | | |

Consolidated and parent company financial statements for 1 January – 31 December

Cash flow statement

| DKK'000 | Note | Consolidated | |
|--|------|----------------|-----------------|
| | | 2013 | 2012 |
| Revenue | | 1.289.081 | 1.257.145 |
| Costs | | -1.027.721 | -994.864 |
| Cash flows from operations before changes in working capital | 17 | 261.360 | 262.281 |
| Changes in working capital | 18 | 29.615 | -33.574 |
| Cash generated from operations (operating activities) | | 290.975 | 228.707 |
| Interest received | | 471 | 307 |
| Interest paid | | -5.859 | -7.966 |
| Cash generated from operations (ordinary activities) | | 285.587 | 221.048 |
| Corporation tax paid | 15 | -36.113 | -59.456 |
| Cash flows from operating activities | | 249.474 | 161.592 |
| Acquisition of intangible assets | | -33.014 | -29.913 |
| Acquisition of property, plant and equipment | | -45.141 | -78.171 |
| Disposal of non-current assets | | 1.517 | 1.516 |
| Deposits | | -19 | -368 |
| Cash flows from investing activities | | -76.657 | -106.936 |
| <i>External financing:</i> | | | |
| Mortgage loans | | 8.253 | -4.693 |
| Bank loans | | 2.739 | -977 |
| <i>Shareholders:</i> | | | |
| Dividends paid | | -102.000 | -120.000 |
| Cash flows from financing activities | | -91.008 | -125.670 |
| Cash flows for the year | | 81.809 | -71.014 |
| Opening cash and cash equivalents | | 3.792 | 74.806 |
| Closing cash and cash equivalents | | 85.601 | 3.792 |
| Closing cash and cash equivalents comprise | | | |
| Cash funds | | 20.430 | 32.087 |
| Receivables from/payables to group enterprises, cash pool | | 65.171 | -28.295 |
| | | 85.601 | 3.792 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | Parent company | |
|--|--------------|---------|----------------|---------|
| DKK'000 | 2013 | 2012 | 2013 | 2012 |
| 1. Segment information (broken down on revenue) | | | | |
| Europe | 93% | 92% | 91% | 90% |
| Other countries | 7% | 8% | 9% | 10% |
| | 100% | 100% | 100% | 100% |
| Systems and services | 35% | 37% | 37% | 38% |
| Components | 65% | 63% | 63% | 62% |
| | 100% | 100% | 100% | 100% |
| 2. Staff costs | | | | |
| Wages and salaries | 378.771 | 369.114 | 294.145 | 282.754 |
| Pensions | 30.110 | 27.648 | 19.489 | 17.958 |
| Other social security costs | 26.623 | 23.235 | 5.705 | 3.874 |
| | 435.504 | 419.997 | 319.339 | 304.586 |
| <i>Staff costs are specified as follows:</i> | | | | |
| Production | 244.100 | 232.979 | 202.381 | 196.139 |
| Distribution | 146.066 | 139.196 | 75.940 | 68.819 |
| Administration | 45.338 | 47.822 | 41.018 | 39.628 |
| | 435.504 | 419.997 | 319.339 | 304.586 |
| Average number of employees | 834 | 761 | 626 | 602 |

Remuneration of the parent company's Executive Board and Board of Directors totals DKK 5,420 thousand (2012: DKK 5,194 thousand).

Depreciation/amortisation and impairment losses

| | | | | |
|--|--------|--------|--------|--------|
| Intangible assets | 26.197 | 17.982 | 19.697 | 11.077 |
| Property, plant and equipment | 41.959 | 37.061 | 38.607 | 33.355 |
| | 68.156 | 55.043 | 58.304 | 44.432 |
| <i>Depreciation/amortisation and impairment losses are specified as follows:</i> | | | | |
| Production | 57.282 | 46.390 | 51.941 | 37.917 |
| Distribution | 1.282 | 1.601 | 316 | 0 |
| Administration | 9.592 | 7.052 | 6.047 | 6.515 |
| | 68.156 | 55.043 | 58.304 | 44.432 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | Parent company | |
|--|--------------|--------|----------------|--------|
| DKK'000 | 2013 | 2012 | 2013 | 2012 |
| 3. Fees paid to auditors appointed at the general meeting | | | | |
| Statutory audit fees | 1.066 | 1.027 | 350 | 325 |
| Assurance engagements | 42 | 14 | 42 | 14 |
| Tax advisory services | 339 | 624 | 261 | 300 |
| Other services | 373 | 284 | 346 | 208 |
| | 1.820 | 1.949 | 999 | 847 |
| 4. Financial income | | | | |
| Financial income, subsidiaries | 0 | 0 | 643 | 1.290 |
| Other financial income | 471 | 307 | 214 | 210 |
| | 471 | 307 | 857 | 1.500 |
| 5. Financial expenses | | | | |
| Financial expenses, subsidiaries | 0 | 0 | 2.060 | 2.507 |
| Other financial expenses | 5.859 | 7.966 | 5.596 | 7.247 |
| | 5.859 | 7.966 | 7.656 | 9.754 |
| 6. Tax on profit for the year | | | | |
| Current joint taxation contribution | 37.773 | 39.486 | 32.353 | 28.971 |
| Tax in branches | 3.604 | 1.481 | 3.604 | 1.481 |
| Deferred tax | -4.200 | 4.587 | 3.154 | 5.945 |
| Reduction of tax rate | -647 | 0 | -647 | 0 |
| Adjustment of tax in respect of previous years | 383 | 210 | 375 | 837 |
| | 36.913 | 45.764 | 38.839 | 37.234 |
| Recognised in the income statement | 36.759 | 46.216 | 38.685 | 37.686 |
| Tax recognised in equity | 154 | -452 | 154 | -452 |
| | 36.913 | 45.764 | 38.839 | 37.234 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| DKK'000 | Consolidated | | | |
|---|--------------------------------|----------------|----------------------------------|---------------|
| | Finalised development projects | Goodwill | Development projects in progress | Total |
| 7. Intangible assets | | | | |
| Cost at 1 January | 141.532 | 151.850 | 13.601 | 306.983 |
| Exchange rate adjustment in foreign enterprises | -1.267 | -750 | 0 | -2.017 |
| Additions | 46 | 0 | 33.398 | 33.444 |
| Disposals | 0 | 0 | 0 | 0 |
| Transferred | 24.005 | 0 | -24.005 | 0 |
| Cost at 31 December | 164.316 | 151.100 | 22.994 | 338.410 |
| Amortisation and impairment losses at 1 January | -89.931 | -132.698 | 0 | -222.629 |
| Exchange rate adjustment in foreign enterprises | 1.267 | 320 | 0 | 1.587 |
| Disposals | 0 | 0 | 0 | 0 |
| Amortisation | -20.484 | -5.713 | 0 | -26.197 |
| Amortisation and impairment losses at 31 December | -109.148 | -138.091 | 0 | -247.239 |
| Carrying amount at 31 December | 55.168 | 13.009 | 22.994 | 91.171 |
| Amortised over | <u>2-5 years</u> | <u>5 years</u> | | |
| | | | | |
| | Parent company | | | |
| | Finalised development projects | Goodwill | Development projects in progress | Total |
| Cost at 1 January | 105.439 | 12.295 | 13.601 | 131.335 |
| Additions | 46 | 0 | 33.398 | 33.444 |
| Disposals | 0 | 0 | 0 | 0 |
| Transferred | 24.005 | 0 | -24.005 | 0 |
| Cost at 31 December | 129.490 | 12.295 | 22.994 | 164.779 |
| Amortisation and impairment losses at 1 January | -54.809 | -12.295 | 0 | -67.104 |
| Disposals | 0 | 0 | 0 | 0 |
| Amortisation | -19.697 | 0 | 0 | -19.697 |
| Amortisation and impairment losses at 31 December | -74.506 | -12.295 | 0 | -86.801 |
| Carrying amount at 31 December | 54.984 | 0 | 22.994 | 77.978 |
| Amortised over | <u>2-5 years</u> | <u>5 years</u> | | |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | | | |
|---|--------------------|---------------------|--|--|----------|
| DKK'000 | Land and buildings | Plant and machinery | Fixtures and fittings, other plant and equipment | Prepayments and assets in the course of construction | Total |
| 8. Property, plant and equipment | | | | | |
| Cost at 1 January | 163.151 | 209.732 | 84.795 | 2.441 | 460.119 |
| Exchange rate adjustment in foreign enterprises | 0 | 0 | -673 | 0 | -673 |
| Additions | 5.673 | 17.701 | 7.763 | 14.849 | 45.986 |
| Disposals | 0 | -8.426 | -8.102 | 0 | -16.528 |
| Transferred | 252 | 1.765 | 346 | -2.363 | 0 |
| Cost at 31 December | 169.076 | 220.772 | 84.129 | 14.927 | 488.904 |
| Depreciation and impairment losses at 1 January | -48.885 | -139.771 | -58.025 | 0 | -246.681 |
| Exchange rate adjustment in foreign enterprises | 0 | 0 | 497 | 0 | 497 |
| Depreciation | -6.395 | -23.282 | -12.282 | 0 | -41.959 |
| Disposals | 0 | 7.714 | 7.086 | 0 | 14.800 |
| Depreciation and impairment losses at 31 December | -55.280 | -155.339 | -62.724 | 0 | -273.343 |
| Carrying amount at 31 December | 113.796 | 65.433 | 21.405 | 14.927 | 215.561 |
| Depreciated over | 20-25 years | 5 years | 3-7 years | | |
| Prop., plant and equipm. comprise assets held under finance leases with a carrying amount totalling | 0 | 0 | 658 | 0 | 658 |
| Parent company | | | | | |
| Cost at 1 January | 160.230 | 209.732 | 49.383 | 2.376 | 421.721 |
| Additions | 5.673 | 17.701 | 4.812 | 13.805 | 41.991 |
| Disposals | 0 | -8.426 | -4.934 | 0 | -13.360 |
| Transferred | 252 | 1.765 | 346 | -2.363 | 0 |
| Cost at 31 December | 166.155 | 220.772 | 49.607 | 13.818 | 450.352 |
| Depreciation and impairment losses at 1 January | -46.423 | -139.771 | -31.355 | 0 | -217.749 |
| Depreciation | -6.395 | -23.282 | -8.930 | 0 | -38.607 |
| Disposal | 0 | 7.714 | 4.690 | 0 | 12.404 |
| Depreciation and impairment losses at 31 December | -52.818 | -155.339 | -35.795 | 0 | -243.952 |
| Carrying amount at 31 December | 113.337 | 65.433 | 13.812 | 13.818 | 206.400 |
| Depreciated over | 25 years | 5 years | 3-7 years | | |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Parent company | |
|--|----------------|----------------|
| | 2013 | 2012 |
| DKK'000 | | |
| 9. Investments in subsidiaries | | |
| Cost at 1 January | 178.920 | 177.920 |
| Additions for the year | 777 | 1.000 |
| Cost at 31 December | 179.697 | 178.920 |
| Adjustments at 1 January | -58.900 | -69.779 |
| Foreign exchange adjustment | -3.673 | 2.927 |
| Profit for the year before tax | 26.017 | 39.972 |
| Negative net asset value in subsidiaries set off against receivables | 6.054 | 0 |
| Tax on profit for the year | 1.927 | -8.530 |
| Dividends | -27.971 | -23.490 |
| Adjustments at 31 December | -56.546 | -58.900 |
| Carrying amount at 31 December | 123.151 | 120.020 |

| Name | Reg. office | Voting right and owner-ship |
|---|-------------|-----------------------------|
| Kamstrup B.V. | NL | 100% |
| Kamstrup Sp. z o.o. | PL | 100% |
| Kamstrup Instrumentation Ltd. | GB | 100% |
| Energy-Lab ApS | DK | 100% |
| Kamstrup AS | NO | 100% |
| Kamstrup Services SAS | FR | 100% |
| Kamstrup AB | SE | 100% |
| Kamstrup Karlskrona AB | SE | 100% |
| Zao Kamstrup | RU | 100% |
| Kamstrup South Africa (Pty) Ltd. | ZA | 100% |
| Kamstrup Austria GmbH | AU | 100% |
| Kamstrup Metering Solutions Private Limited | IN | 100% |
| Kamstrup International A/S | DK | 100% |
| Kamstrup, Inc. | US | 100% |
| Kamstrup Water Metering L.L.C. | US | 100% |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

DKK'000

| | Consoli- dated | Parent com- pany |
|--|-------------------|------------------------|
| 10. Investments in associates | | |
| Cost at 1 January 2013 | 250 | 250 |
| Cost at 31 December 2013 | 250 | 250 |
| Adjustments at 1 January 2013 | 1.957 | 1.957 |
| Profit for the year before tax | 1.234 | 1.234 |
| Tax on profit for the year | -315 | -315 |
| Dividends | -1.750 | -1.750 |
| Adjustments at 31 December 2013 | 1.126 | 1.126 |
| Carrying amount at 31 December 2013 | 1.376 | 1.376 |

| | Registered office | Voting rights and owner-ship |
|---|-------------------|------------------------------|
| Group and parent company: Fischer-Kamstrup A/S | DK | 50% |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| DKK'000 | Consolidated | | | | |
|---|---------------|---|-------------------|--------------------|----------|
| | Share capital | Net re-valuation accord. to the equity method | Retained earnings | Proposed dividends | Total |
| 11. Equity | | | | | |
| Equity at 1 January 2012 | 14.000 | 3.231 | 211.850 | 120.000 | 322.081 |
| Distributed dividends | 0 | 0 | 0 | -120.000 | -93.000 |
| Transferred via profit appropriation | 0 | -1.275 | 44.014 | 102.000 | 144.739 |
| Value adjustment of hedging instruments | 0 | 0 | -1.877 | 0 | -1.877 |
| Tax recognised in equity | 0 | 0 | 469 | 0 | 469 |
| Exchange rate adjustment – foreign branches | 0 | 0 | -17 | 0 | -17 |
| Exchange rate adjustment – foreign subsidiaries | 0 | 0 | 2.927 | 0 | 2.927 |
| | 14.000 | 1.956 | 257.366 | 102.000 | 375.322 |
| Equity at 1 January 2013 | | | | | |
| Distributed dividends | 0 | 0 | 0 | -102.000 | -102.000 |
| Transferred via profit appropriation | 0 | -830 | 6.540 | 140.000 | 145.710 |
| Value adjustment of hedging instruments | 0 | 0 | 618 | 0 | 618 |
| Tax recognised in equity | 0 | 0 | -154 | 0 | -154 |
| Exchange rate adjustment – foreign branches | 0 | 0 | -102 | 0 | -102 |
| Exchange rate adjustment – foreign subsidiaries | 0 | 0 | -3.673 | 0 | -3.673 |
| Equity at 31 December 2013 | 14.000 | 1.126 | 260.595 | 140.000 | 415.721 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| DKK'000 | Modervirksomhed | | | | |
|---|-----------------|---|-------------------|--------------------|----------|
| | Share capital | Net re-valuation accord. to the equity method | Retained earnings | Proposed dividends | Total |
| 11. Equity – continued | | | | | |
| Equity at 1 January 2012 | 14.000 | 0 | 215.081 | 120.000 | 349.081 |
| Distributed dividends | 0 | 0 | 0 | -120.000 | -120.000 |
| Transferred via profit appropriation | 0 | 0 | 42.739 | 102.000 | 144.739 |
| Value adjustment of hedging instruments | 0 | 0 | -1.877 | 0 | -1.877 |
| Tax recognised in equity | 0 | 0 | 469 | 0 | 469 |
| Exchange rate adjustment – foreign branches | 0 | 0 | -17 | 0 | -17 |
| Exchange rate adjustment – foreign subsidiaries | 0 | 0 | 2.927 | 0 | 2.927 |
| Equity at 1 January 2013 | 14.000 | 0 | 259.322 | 102.000 | 375.322 |
| Distributed dividends | 0 | 0 | 0 | -102.000 | -102.000 |
| Transferred via profit appropriation | 0 | 0 | 5.710 | 140.000 | 145.710 |
| Value adjustment of hedging instruments | 0 | 0 | 618 | 0 | 618 |
| Tax recognised in equity | 0 | 0 | -154 | 0 | -154 |
| Exchange rate adjustment – foreign branches | 0 | 0 | -102 | 0 | -102 |
| Exchange rate adjustment – foreign subsidiaries | 0 | 0 | -3.673 | 0 | -3.673 |
| Equity at 31 December 2013 | 14.000 | 0 | 261.721 | 140.000 | 415.721 |

The share capital comprises 28,000 shares of DKK 500 each. All shares carry the same voting rights.

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | Parent company | |
|--|---------------|---------------|----------------|---------------|
| DKK'000 | 2013 | 2012 | 2013 | 2012 |
| 12. Deferred tax | | | | |
| Deferred tax at 1 January | 6.707 | 2.120 | 10.432 | 4.487 |
| Deferred tax for the year | -4.200 | 4.587 | 3.154 | 5.945 |
| Adjustment of tax in respect of previous years | 0 | 0 | 0 | 0 |
| Reduction of tax rate | -647 | 0 | -647 | 0 |
| Deferred tax at 31 December | 1.860 | 6.707 | 12.939 | 10.432 |
| Deferred tax liability | 13.418 | 10.676 | 12.939 | 10.432 |
| Deferred tax asset | -11.558 | -3.969 | 0 | 0 |
| | 1.860 | 6.707 | 12.939 | 10.432 |
| <i>Deferred tax is incumbent on:</i> | | | | |
| Intangible assets | 14.876 | 11.298 | 14.830 | 11.054 |
| Property, plant and equipment | 2.529 | 3.565 | 2.583 | 3.642 |
| Unrealised intra-group profit | -422 | -651 | -422 | -651 |
| Indirect production overheads | 1.153 | 1.286 | 1.153 | 1.286 |
| Bad debts and other accruals | -16.276 | -8.791 | -5.205 | -4.899 |
| | 1.860 | 6.707 | 12.939 | 10.432 |
| 13. Other provisions | | | | |
| Other provisions at 1 January | 21.187 | 14.734 | 20.344 | 13.831 |
| Utilised during the year | -12.435 | -8.124 | -11.689 | -3.643 |
| Provisions for the year | 20.051 | 14.577 | 15.546 | 10.156 |
| Other provisions at 31 December | 28.803 | 21.187 | 24.201 | 20.344 |
| <i>The provisions are expected to be payable in:</i> | | | | |
| 0-1 years | 15.583 | 4.984 | 14.150 | 4.141 |
| 1-5 years | 10.449 | 16.203 | 9.982 | 16.203 |
| + 5 years | 2.771 | 0 | 69 | 0 |
| | 28.803 | 21.187 | 24.201 | 20.344 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | Parent company | |
|---|--------------|---------|----------------|---------|
| DKK'000 | 2013 | 2012 | 2013 | 2012 |
| 14. Liabilities | | | | |
| <i>The loans are specified as follows:</i> | | | | |
| Long-term | | | | |
| Short-term | | | | |
| | 82.967 | 73.911 | 82.021 | 73.018 |
| Non-current liabilities falling due more than five years after the expiry of the financial year | 56.834 | 43.592 | 56.834 | 43.592 |
| 15. Corporation tax | | | | |
| Corporation tax at 1 January | 7.307 | -10.520 | 5.980 | -1.994 |
| Adjustment of tax in respect of previous years | -383 | -211 | -375 | -836 |
| Current tax for the year | -41.223 | -41.418 | -35.957 | -30.453 |
| Corporation tax paid during the year | 36.113 | 59.456 | 31.828 | 39.263 |
| Corporation tax at 31 December | 1.814 | 7.307 | 1.476 | 5.980 |
| <i>Allocated as follows:</i> | | | | |
| Corporation tax receivable | 1.143 | 6.667 | 0 | 195 |
| Corporation tax payable | -2.766 | -5.145 | -1.961 | 0 |
| Receivables from group enterprises | 3.437 | 5.785 | 3.437 | 5.785 |
| | 1.814 | 7.307 | 1.476 | 5.980 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

| | Consolidated | | Parent company | |
|---|--------------|---------|----------------|---------|
| DKK'000 | 2013 | 2012 | 2013 | 2012 |
| 16. Contingent items | | | | |
| Contingent liabilities | | | | |
| Leasehold liabilities do not exceed | 10.872 | 8.517 | 2.487 | 3.413 |
| Lease liabilities | 7.490 | 6.925 | 5.411 | 5.804 |
| Collateral | | | | |
| Performance guarantees provided as collateral for the Company's liabilities towards third party | 41.022 | 31.117 | 30.037 | 26.779 |
| The below assets have been provided as collateral for mortgage debt: | | | | |
| <i>Land and buildings with a carrying amount of:</i> | 113.337 | 113.807 | 113.337 | 113.807 |

The Company has provided a guarantee to a Swedish customer regarding an outstanding balance with the subsidiary in Sweden.

In addition to this, the Company has provided collateral for liabilities of its group enterprises at an amount of DKK 495 million.

The Company's shares in the subsidiary, Kamstrup AB, have been provided as collateral for bank loans with group enterprises.

The Company has issued a letter of intent to the associate in Denmark acknowledging its intention to provide financial support.

The Company is jointly taxed with its Danish parent company and Danish affiliated companies. The companies have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation unit. The jointly taxed companies' total net liability to SKAT amounted to DKK 0 thousand at 31 December 2013. Any subsequent corrections to the taxable joint taxation income or withholding taxes on dividends, etc. may result in an increased liability for the companies. The Group as a whole is not liable to any others.

| DKK'000 | 2013 | 2012 |
|---|---------|---------|
| 17. Cash generated from operations before changes in working capital | | |
| Operating profit | 186.938 | 197.889 |
| <i>Adjustment for non-cash operating items, etc.:</i> | | |
| Depreciation/amortisation and impairment losses | 68.156 | 55.043 |
| Gain/loss on the disposal of non-current assets | 211 | -607 |
| Other adjustments | 6.055 | 9.956 |
| | 261.360 | 262.281 |
| 18. Changes in working capital | | |
| Changes in inventories | -4.639 | -9.743 |
| Changes in receivables | 39.995 | -39.956 |
| Changes in trade and other payables | -5.741 | 16.125 |
| | 29.615 | -33.574 |

Consolidated and parent company financial statements for 1 January – 31 December

Notes

19. Related parties

Kamstrup A/S' related parties comprise:

Control

OK a.m.b.a., Viby J., Denmark, owns the entire share capital.

Other related parties

Other related parties comprise subsidiaries and associates, as described in notes 9 and 10, and the companies' Executive Board and the Board of Directors, executive employees and their family members. Further, related parties comprise companies in which the above persons have substantial interests.

Transactions with related parties

All transactions take place on an arm's length basis.

No transactions have been carried out with the Executive Board and the Board of Directors, executive employees, shareholders or other related parties, apart from intra-group transactions, which have been eliminated in the consolidated financial statements, and the usual remuneration.



