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Annual report

2014



**kamstrup**

Approved at the annual general meeting on / 2015

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Chairman



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# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Kamstrup A/S for the financial year 1 January – 31 December 2014.

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's financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2014 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 2014.

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, 23 March 2015

## Executive Board:

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Per Asmussen  
*CEO*

## Board of Directors:

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Jørgen Wisborg  
*Chairman*

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Flemming Rasmussen  
*Vice-chairman*

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Torben B. Pedersen

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Dan Korsgaard

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Tina H. Amdisen  
*Employee representative*

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Tove Mikkonen  
*Employee representative*

# 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 2014. 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 2014 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 2014 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, 23 March 2015

## Ernst & Young

Chartered Accountancy Partner Company

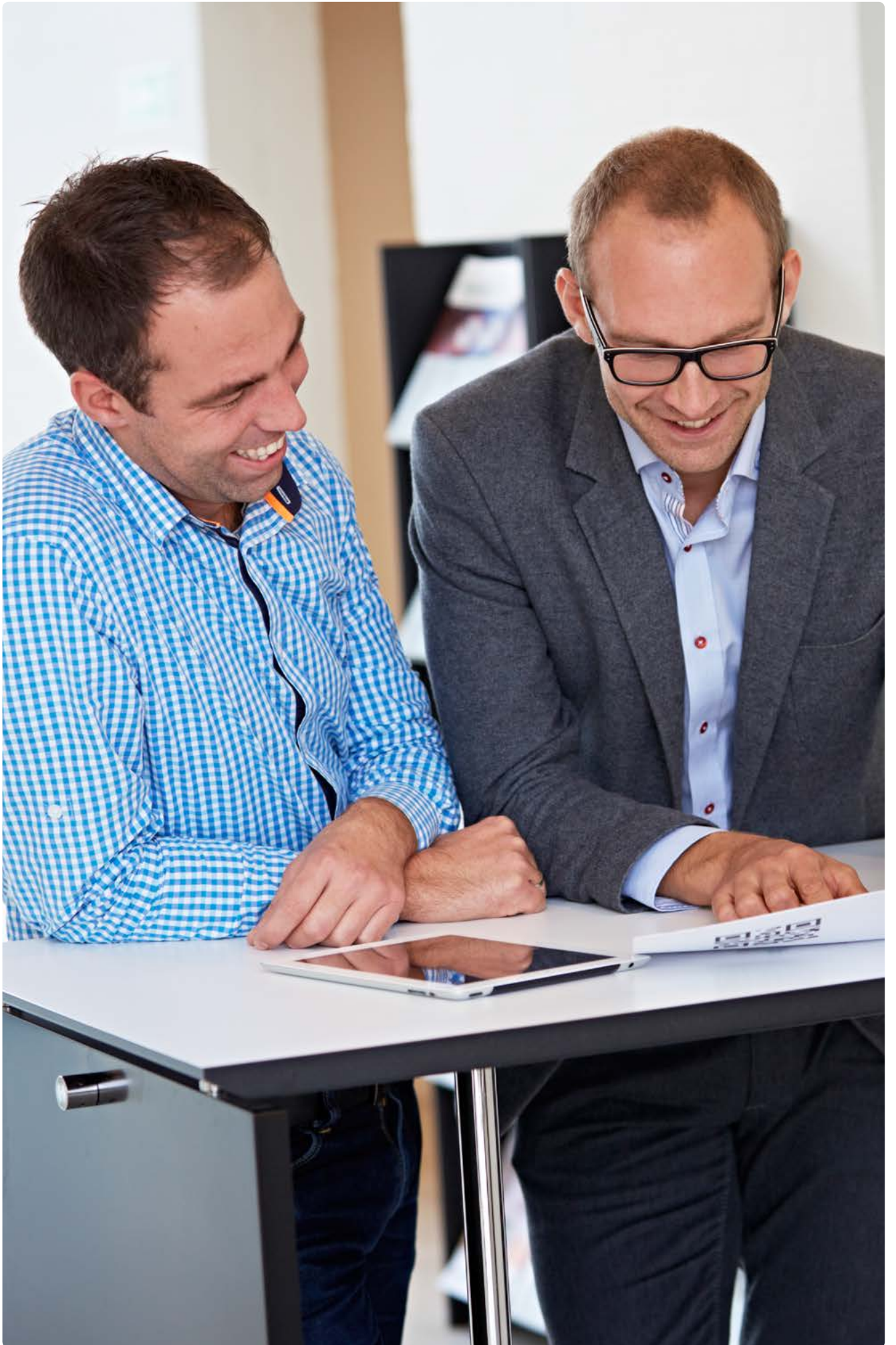
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Claus Hammer-Pedersen  
*State Authorised Public  
Accountant*

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Karsten Gatten Vestergaard  
*State Authorised Public  
Accountant*





## Company details

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

T: +45 89 93 10 00  
F: +45 89 93 10 01  
W: kamstrup.com  
E: info@kamstrup.com

Reg. no.: 21 24 81 18

Established on 28 August 1931 (founded in 1946).  
Registered office in Skanderborg

### Board of Directors

Jørgen Wisborg, chairman  
Flemming Rasmussen, vice-chairman  
Torben B. Pedersen  
Dan Korsgaard  
Tina H. Amdisen  
Tove Mikkonen

### Executive Board

Per Asmussen

### Auditors

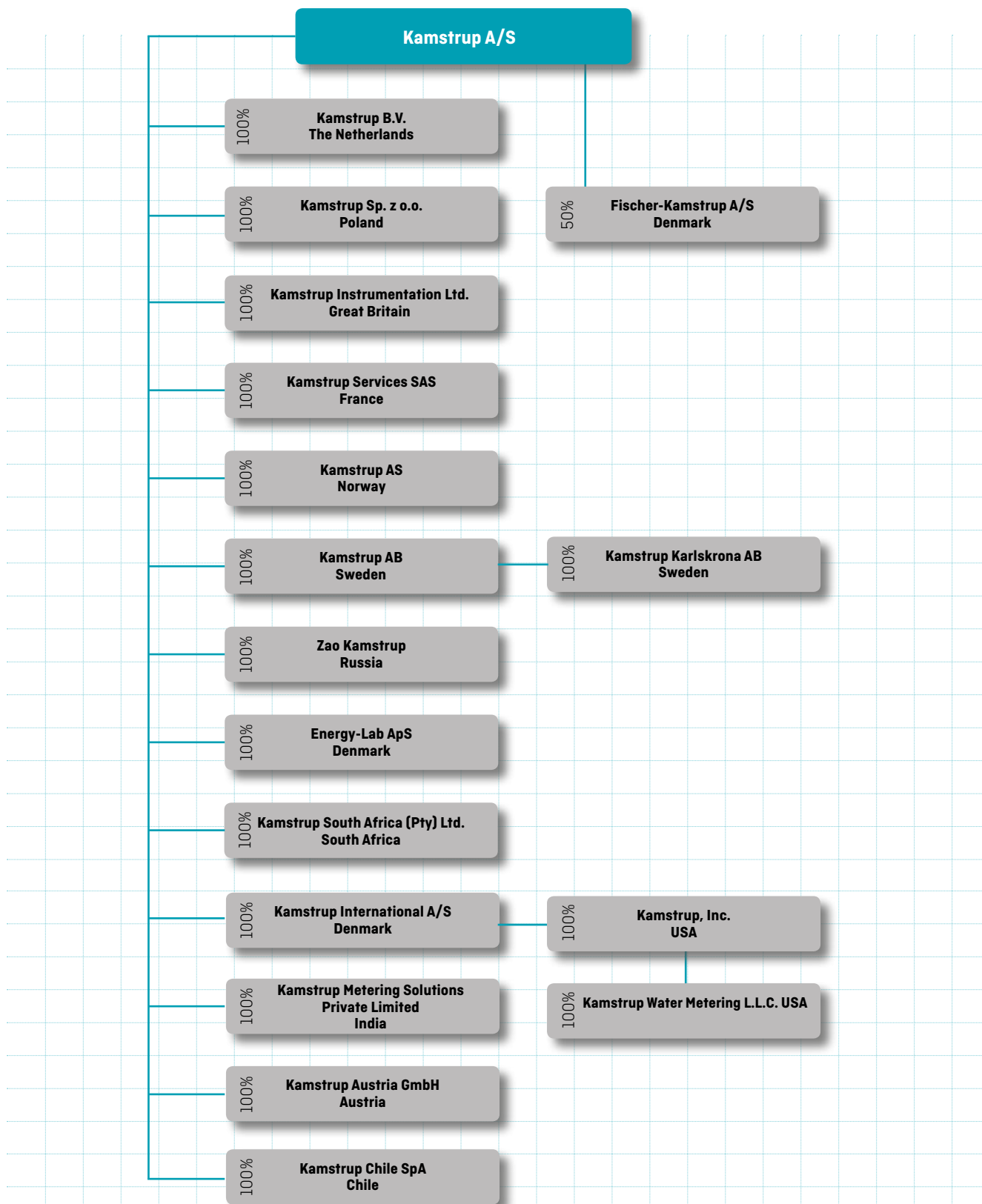
Ernst & Young  
Chartered Accountancy Partner Company  
Bruun's Galleri  
DK-8100 Aarhus C

### Annual general meeting

The annual general meeting is to be held on 23 March 2015.



## Group chart



## Financial highlights for the Group

DKKm	2014	2013	2012	2011	2010
<b>Key figures:</b>					
Revenue	1,382.9	1,289.1	1,257.1	1,180.4	918.0
Operating profit	238.5	186.9	197.9	209.6	122.0
Financial income and expenses	-3.6	-5.4	-7.7	-5.1	-7.1
<b>Profit before tax</b>	<b>260.5</b>	<b>182.5</b>	<b>191.0</b>	<b>205.1</b>	<b>115.7</b>
Profit for the year	206.1	145.7	144.7	151.7	93.8
Non-current assets	320.5	310.0	301.9	249.5	198.5
Current assets	498.9	441.1	420.7	394.8	411.8
<b>Total assets</b>	<b>819.4</b>	<b>751.1</b>	<b>722.6</b>	<b>644.3</b>	<b>610.3</b>
Share capital	14.0	14.0	14.0	14.0	14.0
<b>Equity</b>	<b>472.8</b>	<b>415.7</b>	<b>375.3</b>	<b>349.1</b>	<b>293.4</b>
Provisions	40.3	42.2	31.9	20.2	9.5
Current liabilities	233.8	215.5	248.1	201.6	225.6
Liabilities	346.7	293.2	315.4	275.0	304.7
Investments in property, plant and equipment	-61.1	-46.0	-77.9	-71.3	-20.4
Cash flows from operating and investing activities	152.6	172.8	54.7	42.3	121.1
<b>Financial ratios</b>					
Operating margin	19	15	16	18	13
Return on investment	49	40	47	57	35
Current ratio	213	205	170	196	183
Solvency ratio	58	55	52	54	48
Return on equity	46	37	40	47	37
<b>Average number of employees</b>	<b>874</b>	<b>850</b>	<b>761</b>	<b>721</b>	<b>635</b>

### The financial ratios are computed as follows:

<b>Operating margin</b>	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
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<b>Return on investment</b>	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}^*}$
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<b>Current ratio</b>	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
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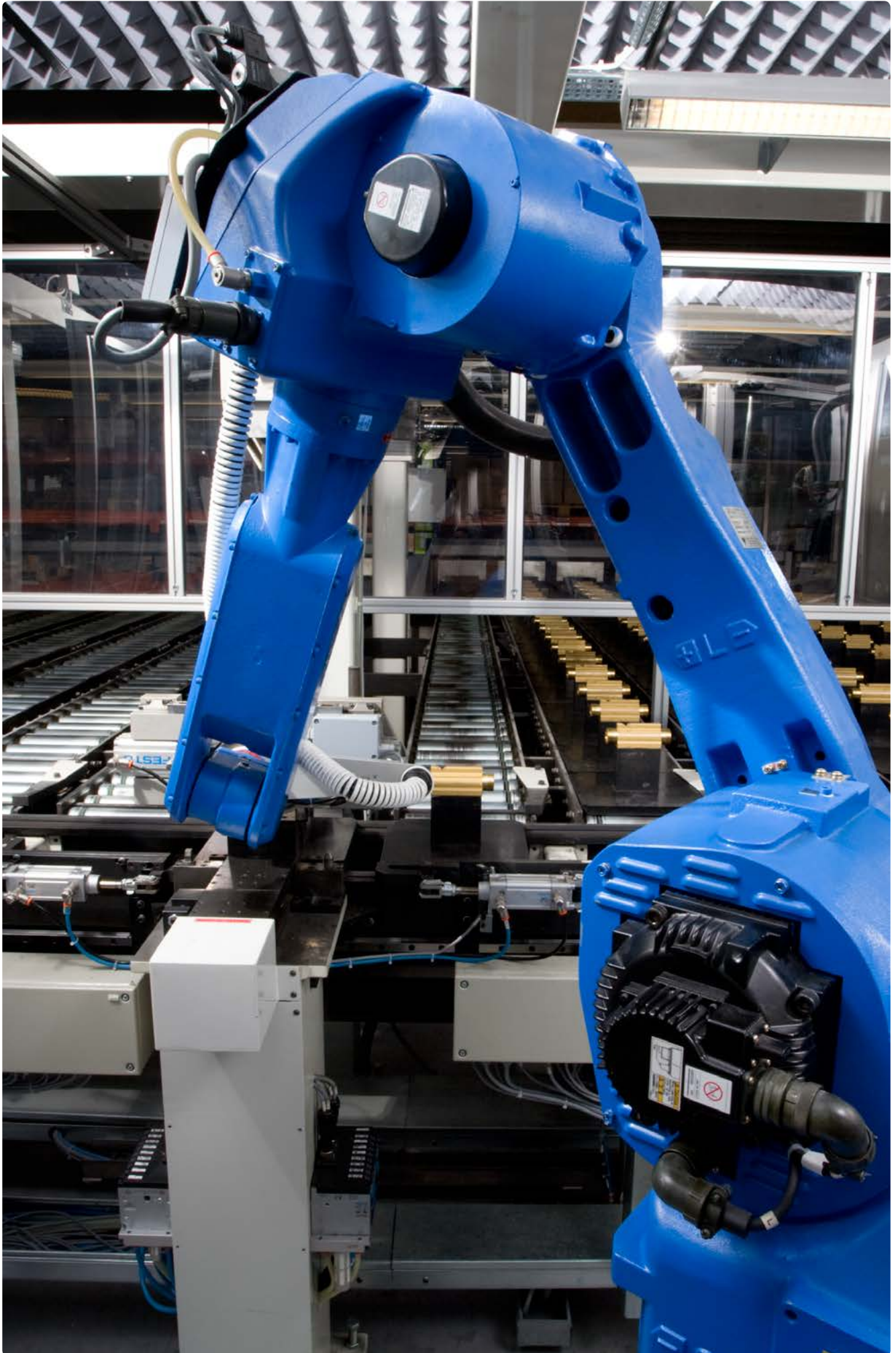
<b>Solvency ratio</b>	$\frac{\text{Equity excl. non-controlling interests, year end} \times 100}{\text{Total liabilities, year end}}$
-----------------------	-----------------------------------------------------------------------------------------------------------------

<b>Return on equity</b>	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average equity}}$
-------------------------	---------------------------------------------------------------------------------

\*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 energy 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 manufacturers them on its highly automated factories in the Nordic countries.

Kamstrup has set up branches in Sweden, Norway, the UK, The Netherlands, Poland, France, Russia, Estonia, Finland, Germany, Switzerland, Austria, Spain, the Czech Republic, Romania, Serbia, Dubai, 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 moderate growth in 2014.

In 2014, the Company succeeded in gaining further market shares despite intensified competition, resulting in 7 % growth in 2014.

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, 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 which have also contributed to a significant reduction of quality costs.

Substantial improvements arising from Lean activities have also improved productivity.

Despite major investments in 2014, Kamstrup is in a sound financial position.

Considerable efforts within marketing and product development again in 2014 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 2014, the profit for the year is considered extremely satisfactory.

Effective as of 30 June 2014, the company's gas division, located in the Netherlands, was sold off. It is estimated

that this activity has greater opportunities for developing positively outside of Kamstrup. The sell-off has a positive impact on the profit.

On 1 October 2014, Kamstrup took over the activity in Saseco ApS. The purpose of this acquisition is to strengthen Kamstrup within analysis tools for energy and water consumption, for the use in connection with the systems which the company delivers to the customers. The acquired eButler software provides the customers with significant analysis opportunities in a new and user-friendly system.

If only the continued business operations are regarded, in 2014 the growth was 9 %.

### Markets and outlook

In 2015, 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 further growth in 2015 and a lower profit than in 2014, primarily due to the one-time revenue caused by the sell-off of the gas activity in 2014.

### Risks

Kamstrup manufactures, sells and installs primarily electric meters for reading energy and water consumption and relating remote 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.

### 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 share of women who graduated with a bachelor's degree in engineering within electronics/IT in Denmark represents less than 4 %, and the share of women who graduated with a Master's degree in engineering within electronics/IT is less than 3 %. These branches of study represent a natural recruitment base for a large part of the management positions in a technology company such as Kamstrup. The top management in Kamstrup defined as the Executive Board, executive managers, department managers and others comprise 61 managers of which the female share represents 11.5 %. 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. We refer to the parent company's [OK's] annual report for 2014.


### Corporate Social Responsibility (CSR)

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/csr2014](http://www.kamstrup.com/csr2014)



Through a deep understanding of the customers' needs, we inspire to deliver superior quality and groundbreaking innovation.



Inspire – Lead – Deliver







## Income statement

DKK'000	Note	Consolidated		Parent company	
		2014	2013	2014	2013
<b>Revenue</b>	1	1,382,859	1,289,081	1,150,847	1,041,803
Production costs	2	-810,817	-775,144	-739,579	-676,905
<b>Gross profit</b>		572,042	513,937	411,268	364,898
Sales and distribution costs	2	-266,134	-253,111	-135,790	-136,128
Administrative expenses	2,3,4	-67,398	-73,888	-60,428	-66,439
<b>Operating profit</b>		238,510	186,938	215,050	162,331
Other operating incomes		23,840	0	23,840	0
<b>Operating profit</b>		262,350	186,938	238,890	162,331
Profit in subsidiaries	10	0	0	18,456	27,944
Profit in associates	11	1,805	919	1,805	919
Financial income	5	3,196	471	3,695	857
Financial expenses	6	-6,832	-5,859	-6,035	-7,656
<b>Profit before tax</b>		260,519	182,469	256,811	184,395
Tax on profit for the year	7	-54,412	-36,759	-50,704	-38,685
<b>Profit for the year</b>		206,107	145,710	206,107	145,710

## Proposed profit appropriation

Proposed dividends	180,000	140,000
Retained earnings	26,107	5,710
	206,107	145,710



## Balance – Assets

		Consolidated		Parent company	
DKK'000	Note	2014	2013	2014	2013
ASSETS					
Non-current assets					
Intangible assets					
	8				
Finalised development projects		72,570	55,168	72,570	54,984
Group goodwill		4,740	13,009	0	0
Development projects in progress		7,265	22,994	7,265	22,994
		84,575	91,171	79,835	77,978
Property, plant and equipment					
	9				
Land and buildings		108,986	113,796	108,986	113,337
Plant and machinery		77,450	65,433	76,281	65,433
Fixtures and fittings, other plant and equipment		21,381	21,405	15,140	13,812
Assets in the course of construction		23,873	14,927	23,873	13,818
		231,690	215,561	224,280	206,400
Investments					
Investments in subsidiaries	10	0	0	116,498	123,151
Investments in associates	11	2,181	1,376	2,181	1,376
Deposits		2,083	1,897	505	503
		4,264	3,273	119,184	125,030
Total non-current assets		320,529	310,005	423,299	409,408
Current assets					
Inventories					
Raw materials and consumables		113,456	125,628	103,385	107,875
Work in progress		6,850	2,619	6,818	2,355
Finished goods		16,966	18,197	13,560	12,072
		137,272	146,444	123,763	122,302
Receivables					
Trade receivables		181,098	131,077	116,572	83,491
Selling price of systems deliveries	12	33,975	53,025	25,791	46,244
Receivables from subsidiaries		0	0	16,258	23,719
Receivables from group enterprises	17	54,712	68,608	54,712	68,608
Deferred tax	14	13,375	11,558	0	0
Corporation tax receivable	17	4,680	1,143	2,618	0
Other receivables		32,047	8,854	14,098	3,635
		319,887	274,265	230,049	225,697
Cash at bank and in hand		41,770	20,430	19,197	8,415
Total current assets		498,929	441,139	373,009	356,414
TOTAL ASSETS		819,458	751,144	796,308	765,822

## Balance – Equity

		Consolidated		Parent company	
DKK'000	Note	2014	2013	2014	2013
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	13				
Share capital		14,000	14,000	14,000	14,000
Reserve for net revaluation according to the equity method		1,931	1,126	0	0
Retained earnings		276,846	260,595	278,777	261,721
Proposed dividends		180,000	140,000	180,000	140,000
<b>Total equity</b>		472,777	415,721	472,777	415,721
<b>Provisions</b>					
Deferred tax	14	17,168	13,418	17,168	12,939
Other provisions	15	23,088	28,803	15,710	24,201
<b>Total provisions</b>		40,256	42,221	32,878	37,140
<b>Liabilities</b>					
<b>Non-current liabilities</b>	16				
Mortgage credit institutions		71,913	77,079	71,913	77,079
Credit institutions		0	159	0	0
Lease liabilities		721	481	0	0
		72,634	77,719	71,913	77,079
<b>Current liabilities</b>					
Current portion of non-current liabilities		6,199	5,248	5,006	4,942
Credit institutions		385	2,760	0	0
Selling price of systems deliveries	12	12,192	9,575	9,415	7,231
Prepayments from customers		9,257	6,820	0	0
Trade payables		55,473	55,426	43,924	46,007
Payables to subsidiaries		0	0	60,328	76,194
Payables to associates		1,586	2,642	1,586	2,642
Corporation tax payable	17	2,373	2,766	0	1,961
Other payables		146,326	130,246	98,481	96,905
		233,791	215,483	218,740	235,882
<b>Total liabilities other than provisions</b>		346,681	293,202	323,531	312,961
<b>TOTAL EQUITY AND LIABILITIES</b>		819,458	751,144	796,308	765,822
<b>Contingent items</b>	18				
<b>Related parties</b>	21				

## Cash flow statement

DKK'000	Note	Consolidated	
		2014	2013
Revenue		1,382,859	1,289,081
Costs		-1,076,553	-1,027,721
Cash flows from operations before changes in working capital	19	306,306	261,360
Changes in working capital	20	-32,707	29,615
Cash generated from operations (operating activities)		273,599	290,975
Interest received		378	471
Interest paid		-6,832	-5,859
Cash generated from operations (ordinary activities)		267,145	285,587
Corporation tax paid	17	-63,139	-36,113
<b>Cash flows from operating activities</b>		<b>204,006</b>	<b>249,474</b>
Disposal of enterprise		35,483	0
Acquisition of intangible assets		-28,529	-33,014
Acquisition of property, plant and equipment		-59,574	-45,141
Disposal of non-current assets		1,414	1,517
Deposits		-186	-19
<b>Cash flows from investing activities</b>		<b>-51,392</b>	<b>-76,657</b>
<i>External financing:</i>			
Mortgage credit institutions		-5,219	8,253
Credit institutions		-2,534	2,739
<i>Shareholders:</i>			
Dividends paid		-140,000	-102,000
<b>Cash flows from financing activities</b>		<b>-147,753</b>	<b>-91,008</b>
<b>Cash flows for the year</b>		<b>4,861</b>	<b>81,809</b>
Opening cash and cash equivalents		85,601	3,792
Opening cash and cash equivalents in disposed enterprise		-2,835	0
<b>Closing cash and cash equivalents</b>		<b>87,627</b>	<b>85,601</b>
<b>Closing cash and cash equivalents comprise</b>			
Cash at bank and in hand		41,770	20,430
Receivables from/payables to group enterprises, cash pool		45,857	65,171
		<b>87,627</b>	<b>85,601</b>



## Notes

	Consolidated		Parent company	
	2014	2013	2014	2013
DKK'000				
<b>1. Segment information (broken down on revenue)</b>				
Europe	91%	93%	89%	91%
Other	9%	7%	11%	9%
	100%	100%	100%	100%
System & Service	37%	35%	39%	37%
Components	63%	65%	61%	63%
	100%	100%	100%	100%
<b>2. Staff costs</b>				
Wages and salaries	420,803	390,618	326,401	297,531
Pensions	27,200	26,233	18,789	18,959
Other social security costs	18,716	17,859	4,370	4,955
	466,719	434,710	349,560	321,445
<i>Staff costs are specified as follows:</i>				
Production	258,196	244,656	236,090	220,610
Distribution	175,670	159,958	83,484	75,012
Administration	32,853	30,096	29,986	25,823
	466,719	434,710	349,560	321,445
<b>Average number of employees</b>	874	850	668	642

Remuneration of the parent company's Executive Board and Board of Directors totals DKK 5,691 thousand (2013: DKK 5,420 thousand).

### 3. Depreciation/amortisation and impairment losses

Intangible assets	35,022	26,197	27,025	19,697
Property, plant and equipment	41,187	41,959	38,294	38,607
	76,209	68,156	65,319	58,304
<i>Depreciation/amortisation and impairment losses are specified as follows:</i>				
Production	67,861	57,282	58,573	51,941
Distribution	2,221	1,282	726	316
Administration	6,127	9,592	6,020	6,047
	76,209	68,156	65,319	58,304

# Notes

	Consolidated		Parent company	
	2014	2013	2014	2013
DKK'000				
<b>4. Fees paid to auditors appointed at the general meeting</b>				
Statutory audit fees	422	1,066	377	350
Assurance engagements	11	42	11	42
Tax advisory services	163	339	163	261
Other services	216	373	152	346
	812	1,820	703	999

During 2014, KPMG Denmark changed to EY's international network. The above statutory audit fees to auditors appointed at the general meeting is thus EY for 2014 and KPMG for 2013. For 2014, the statutory audit fees to KPMG concerning statutory audit amount to DKK 388 thousand.

<b>5. Financial income</b>				
Financial income – subsidiaries	0	0	474	643
Other financial income	3,196	471	3,221	214
	3,196	471	3,695	857
<b>6. Financial expenses</b>				
Financial expenses – subsidiaries	0	0	1,620	2,060
Other financial expenses	6,832	5,859	4,415	5,596
	6,832	5,859	6,035	7,656
<b>7. Tax on profit for the year</b>				
Current joint taxation contribution	50,672	37,773	45,145	32,353
Tax in branches	819	3,604	819	3,604
Deferred tax	1,933	-4,200	4,229	3,154
Reduction of tax rate	0	-647	0	-647
Adjustment of tax in respect of previous years	398	383	-79	375
	53,822	36,913	50,114	38,839
Tax on profit for the year is specified as follows:				
Tax recognised in the income statement	54,412	36,759	50,704	38,685
Tax recognised in equity	-590	154	-590	154
	53,822	36,913	50,114	38,839

## Notes

DKK'000

### 8. Intangible assets

	Consolidated			
	Finalised de- velopment projects	Goodwill	Devel- opment projects in progress	In total
Cost at 1 January	164,316	151,100	22,994	338,410
Exchange rate adjustment in foreign enterprises	-1,782	-1,000	0	-2,782
Additions	7,036	0	21,846	28,882
Disposals	-12,489	0	0	-12,489
Disposals at disposal of enterprise	-5,233	0	0	-5,233
Transferred	37,575	0	-37,575	0
Cost at 31 December	189,423	150,100	7,265	346,788
Amortisation and impairment losses at 1 January	-109,148	-138,091	0	-247,239
Exchange rate adjustment in foreign enterprises	1,782	646	0	2,429
Disposals	12,489	0	0	12,489
Disposals at disposal of enterprise	5,131	0	0	5,130
Depreciation/amortisation and impairment losses	-27,107	-7,915	0	-35,022
Amortisation and impairment losses at 31 December	-116,853	-145,360	0	-262,213
<b>Carrying amount at 31 December</b>	<b>72,570</b>	<b>4,740</b>	<b>7,265</b>	<b>84,575</b>
Amortised over	2-5 years	5 years		

	Parent company			
Cost at 1 January	129,490	12,295	22,994	164,779
Additions	7,036	0	21,846	28,882
Disposals	-12,489	0	0	-12,489
Transferred	37,575	0	-37,575	0
Cost at 31 December	161,612	12,295	7,265	181,172
Amortisation and impairment losses at 1 January	-74,506	-12,295	0	-86,801
Disposals	12,489	0	0	12,489
Depreciation/amortisation and impairment losses	-27,025	0	0	-27,025
Amortisation and impairment losses at 31 December	-89,042	-12,295	0	-101,337
<b>Carrying amount at 31 December</b>	<b>72,570</b>	<b>0</b>	<b>7,265</b>	<b>79,835</b>
Amortised over	2-5 years	5 years		

## Notes

DKK'000

**9. Property, plant and equipment**

	<b>Consolidated</b>				
	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Development projects in progress	In total
Cost at 1 January	169,076	220,772	84,129	14,927	488,904
Exchange rate adjustment in foreign enterprises	-7	0	-852	-58	-917
Additions	1,859	22,778	12,542	23,873	61,052
Disposals	-19	-5,596	-5,578	0	-11,193
Disposals at disposal of enterprise	-2,914	0	-17,737	-169	-20,820
Transferred	408	12,248	2,044	-14,700	0

Cost at 31 December	168,403	250,202	74,548	23,873	517,026
Amortisation and impairment losses at 1 January	-55,280	-155,339	-62,724	0	-273,343
Exchange rate adjustment in foreign enterprises	6	0	679	0	685
Depreciation/amortisation and impairment losses	-6,613	-22,989	-11,585	0	-41,187
Disposals	14	5,576	4,549	0	10,139
Disposals at disposal of enterprise	2,456	0	15,914	0	18,370
Amortisation and impairment losses at 31 December	-59,417	-172,752	-53,167	0	-285,336

<b>Carrying amount at 31 December</b>	108,986	77,450	21,381	23,873	231,690
Amortised over	25 years	5 years	3-7 years		

Prop., plant and equipm, comprise assets held under finance leases with a carrying amount totalling

0	0	2,185	0	2,185
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	<b>Parent company</b>				
Cost at 1 January	166,155	220,772	49,607	13,817	450,351
Additions	1,859	22,254	8,381	23,873	56,367
Disposals	-19	-5,596	-3,677	0	-9,292
Transferred	408	11,365	2,044	-13,817	0
Cost at 31 December	168,403	248,795	56,355	23,873	497,426
Amortisation and impairment losses at 1 January	-52,818	-155,339	-35,795	0	-243,952
Depreciation/amortisation and impairment losses	-6,613	-22,751	-8,930	0	-38,294
Disposals	14	5,576	3,510	0	9,100
Amortisation and impairment losses at 31 December	-59,417	-172,514	-41,215	0	-273,146

<b>Carrying amount at 31 December</b>	108,986	76,281	15,140	23,873	224,280
Amortised over	25 years	5 years	3-7 years		



## Notes

DKK'000	Parent company	
	2014	2013
<b>10. Investments in subsidiaries</b>		
Cost at 1 January	179,697	178,920
Additions for the year	925	777
Disposals for the year	-7,584	0
Cost at 31 December	173,038	179,697
Adjustments at 1 January	-56,546	-58,900
Foreign exchange adjustment	-7,069	-3,673
Profit for the year before tax	23,418	26,017
Negative net asset value in subsidiaries set off against receivables	10,874	6,054
Tax on profit for the year	-4,962	1,927
Benefit	-17,415	-27,971
Disposals at disposal of enterprise	-4,840	0
Adjustments at 31 December	-56,540	-56,546
<b>Carrying amount at 31 December</b>	<b>116,498</b>	<b>123,151</b>

Name	Reg. office	Voting right and ownership
Kamstrup B.V.	NL	100%
Kamstrup Sp. z o.o.	PL	100%
Kamstrup Instrumentation Ltd.	GB	100%
Energy-Lab ApS	GB	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	GB	100%
Kamstrup, Inc.	US	100%
Kamstrup Water Metering L.L.C.	US	100%
Kamstrup Chile SpA	CL	100%

## Notes

DKK'000

	Consoli- dated	Parent company
<b>11. Investments in associates</b>		
Acquisition amount at 1 January	250	250
Acquisition amount at 31 December	250	250
Adjustments at 1 January	1,126	1,126
Profit for the year before tax	2,403	2,403
Tax on profit for the year	-598	-598
Benefit	-1,000	-1,000
Adjustments at 31 December	1,931	1,931
<b>Carrying amount at 31 December</b>	<b>2,181</b>	<b>2,181</b>

Name	Reg. office	Voting right and ownership
Fischer-Kamstrup A/S	GB	50%

	Consolidated		Parent company	
	2014	2013	2014	2013
<b>12. Selling price of systems deliveries</b>				
Systems deliveries	862,002	670,621	759,018	597,948
Progress billings	-840,219	-627,171	-742,642	-558,935
	21,783	43,450	16,376	39,013
<b>Progress billings are specified as follows:</b>				
Systems deliveries (assets)	33,975	53,025	25,791	46,244
Systems deliveries (equity and liabilities)	-12,192	-9,575	-9,415	-7,231
	21,783	43,450	16,376	39,013

## Notes

DKK'000	Consolidated				
	Share capital	Net re-valuation accord. to the equity method	Retained earnings	Proposed dividends	In total
<b>13. Equity</b>					
<b>Equity at 1 January 2013</b>	14,000	1,956	257,366	102,000	375,322
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 subsidiaries	0	0	-3,775	0	-3,775
<b>Equity at 1 January 2014</b>	14,000	1,126	260,595	140,000	415,721
Distributed dividends	0	0	0	-140,000	-140,000
Transferred via profit appropriation	0	805	25,302	180,000	206,107
Value adjustment of hedging instruments	0	0	-2,407	0	-2,407
Tax recognised in equity	0	0	590	0	590
Exchange rate adjustment – foreign subsidiaries	0	0	-7,234	0	-7,234
<b>Equity at 31 December 2014</b>	14,000	1,931	276,846	180,000	472,777

## Notes

DKK'000	Parent company				
	Share capital	Net re-valuation accord. to the equity method	Retained earnings	Proposed dividends	In total
<b>13. Equity – continued</b>					
<b>Equity at 01 January 2013</b>	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 subsidiaries	0	0	-3,775	0	-3,775
<b>Equity at 01 January 2014</b>	14,000	0	261,721	140,000	415,721
Distributed dividends	0	0	0	-140,000	-140,000
Transferred via profit appropriation	0	0	26,107	180,000	206,107
Value adjustment of hedging instruments	0	0	-2,407	0	-2,407
Tax recognised in equity	0	0	590	0	590
Exchange rate adjustment – foreign subsidiaries	0	0	-7,234	0	-7,234
<b>Equity at 31 December 2014</b>	14,000	0	278,777	180,000	472,777

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



## Notes

DKK'000

### 14. Deferred tax

Deferred tax at 1 January

Deferred tax for the year

Reduction of tax rate

### Deferred tax at 31 December

Deferred tax liability

Deferred tax asset

*Deferred tax is incumbent on:*

Intangible assets

Property, plant and equipment

Unrealised intra-group profit

Indirect production overheads

Bad debts and other accruals

Provisions

### 15. Other provisions

Other provisions at 1 January

Utilised during the year

Provisions for the year

### Other provisions at 31 December

*The provisions are expected to be payable in:*

0-1 years

1-5 years

+ 5 years

	Consolidated		Parent company	
	2014	2013	2014	2013
Deferred tax at 1 January	1,860	6,707	12,939	10,432
Deferred tax for the year	1,933	-4,200	4,229	3,154
Reduction of tax rate	0	-647	0	-647
<b>Deferred tax at 31 December</b>	<b>3,793</b>	<b>1,860</b>	<b>17,168</b>	<b>12,939</b>
Deferred tax liability	17,168	13,418	17,168	12,939
Deferred tax asset	-13,375	-11,558	0	0
	<b>3,793</b>	<b>1,860</b>	<b>17,168</b>	<b>12,939</b>
<i>Deferred tax is incumbent on:</i>				
Intangible assets	15,326	14,876	15,326	14,830
Property, plant and equipment	4,391	2,529	4,430	2,583
Unrealised intra-group profit	-424	-422	-424	-422
Indirect production overheads	1,158	1,153	1,158	1,153
Bad debts and other accruals	-15,545	-16,276	-3,322	-5,205
Provisions	-1,113	0	0	0
	<b>3,793</b>	<b>1,860</b>	<b>17,168</b>	<b>12,939</b>
<b>15. Other provisions</b>				
Other provisions at 1 January	28,803	21,187	24,201	20,344
Utilised during the year	-14,217	-12,435	-12,166	-11,689
Provisions for the year	8,502	20,051	3,675	15,546
<b>Other provisions at 31 December</b>	<b>23,088</b>	<b>28,803</b>	<b>15,710</b>	<b>24,201</b>
<i>The provisions are expected to be payable in:</i>				
0-1 years	10,052	15,583	9,654	14,150
1-5 years	8,133	10,449	5,852	9,982
+ 5 years	4,903	2,771	204	69
	<b>23,088</b>	<b>28,803</b>	<b>15,710</b>	<b>24,201</b>

## Notes

	Consolidated		Parent company	
	2014	2013	2014	2013
DKK'000				
<b>16. Liabilities</b>				
<i>The loans are specified as follows:</i>				
Long-term	72,634	77,719	71,913	77,079
Short-term	6,199	5,248	5,006	4,942
	78,833	82,967	76,919	82,021
Non-current liabilities falling due more than five years after the expiry of the financial year	51,527	56,834	51,527	56,834
<b>17. Corporation tax</b>				
Corporation tax at 1 January	1,814	7,307	1,476	5,980
Adjustment of tax in respect of previous years	-398	-383	79	-375
Current tax for the year	-53,393	-41,223	-45,964	-35,957
Corporation tax paid during the year	63,139	36,113	55,882	31,828
<b>Corporation tax at 31 December</b>	11,162	1,814	11,473	1,476
<i>Allocated as follows:</i>				
Corporation tax receivable	4,680	1,143	2,618	0
Corporation tax payable	-2,373	-2,766	0	-1,961
Receivables from group enterprises	8,855	3,437	8,855	3,437
	11,162	1,814	11,473	1,476

## Notes

	Consolidated		Parent company	
DKK'000	2014	2013	2014	2013
<b>18. Contingent items</b>				
<b>Contingent liabilities</b>				
Leasehold liabilities do not exceed				
	12,994	10,872	1,735	2,487
Lease liabilities	7,115	7,490	4,380	5,411
<b>Collateral</b>				
Performance guarantees provided as collateral for the Company's liabilities towards third party	50,131	41,022	44,590	30,037
The below assets have been provided as collateral for mortgage debt:				
<i>Land and buildings with a carrying amount of:</i>	108,986	113,337	108,986	113,337

The Company has provided a parent company 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 251 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 2014. 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	2014	2013
<b>19. Cash flows from operations before changes in working capital</b>		
Ordinary operating profit	238,510	186,938
<i>Adjustment for non-cash operating items, etc.:</i>		
Depreciation/amortisation and impairment losses	76,209	68,156
Gain/loss on the disposal of non-current assets	-359	211
Other adjustments	-8,054	6,055
	306,306	261,360
<b>20. Changes in working capital</b>		
Changes in inventories	205	-4,639
Changes in receivables	-57,524	39,995
Changes in trade and other payables	24,612	-5,741
	-32,707	29,615

## Notes

### **21. 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 10 and 11, 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.



## Notes

### 22. Accounting policies

The annual report of Kamstrup A/S for 2014 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. Disposed or liquidated enterprises are recognised in the consolidated income statements up until the date of disposal. Comparative figures are not corrected for enterprises acquired, disposed or liquidated during the year.

Gains and losses at disposal of subsidiaries and associates are calculated as the difference between the disposal amount and the carrying amount of net assets at the date of the disposal incl. non-amortized goodwill and expected sales or liquidation costs.

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, 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 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.

## Notes

### **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.

#### **Sales and 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.

#### **Other operating incomes**

Other operating incomes comprise items of secondary nature in relation to the Companies' activities.

#### **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.

## Notes

### 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 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.

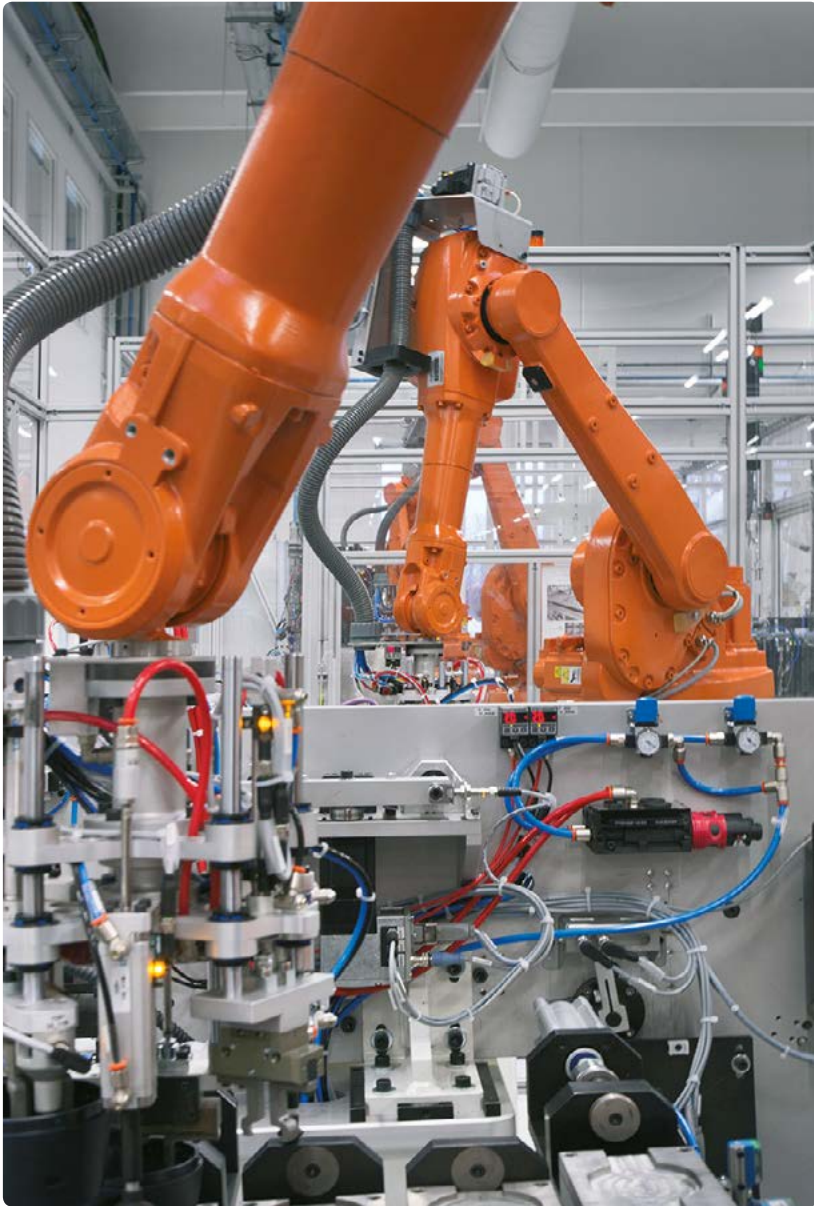
The parent company, OK a.m.b.a., is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

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.



We are committed to  
create a brighter future  
for the water and energy  
industries by always  
turning vision into action.





## Notes

### 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 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	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 financial statements and parent company financial statements

## **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**

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. 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 setoff 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.

## Notes

### 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.



We keep our promises  
and measure our success  
on the basis of the  
progress we create for  
others.

Think forward

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