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**AGRAMKOW**

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**AGRAMKOW Fluid Systems A/S**

**Annual Report 2008**


The following is a part-translation of a Danish original document.  
The original Danish text shall be the governing text for all purposes  
and in case of any discrepancy the Danish wording shall be  
applicable.

Reg. No. 12 24 55 99

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## **Company details and financial highlights**

### **Company details**

AGRAMKOW Fluid Systems A/S  
Augustenborg Landevej 19  
DK-6400 Sønderborg

Telephone        +45 74 12 36 36  
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Registration No. 12 24 55 99  
Established:     1988  
Registered office: Sønderborg

### **Supervisory Board**

Peter Leschly, Chairman  
Lars Blavnsfeldt  
Christian Cordsen Nielsen

### **Executive Board**

Christian Cordsen Nielsen, CEO

### **Auditors**

KPMG C.Jespersen  
Statsautoriseret Revisionsinteressentskab  
Sundsmarkvej 12  
DK-6400 Sønderborg

### **Bankers**

Nordea

## Company details and financial highlights

### Financial highlights for the group

DKK million	2008	2007	2006	2005	2004
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#### Key figures

Revenue	212,2	210,3	191,1	218,2	200,2
Gross margin	79,3	82,2	64,5	74,7	67,8
Operating profit	10,0	14,7	5,5	3,5	3,3
Financial items, net	-1,1	-0,4	-1,3	-1,1	-1,2
<b>Profit for the year</b>	<b>8,5</b>	<b>14,1</b>	<b>4,2</b>	<b>2,0</b>	<b>-0,6</b>

Total assets	100,9	119,9	104,1	98,0	102,9
Share capital	10,8	10,0	35,0	35,0	35,0
<b>Equity</b>	<b>30,5</b>	<b>47,5</b>	<b>38,8</b>	<b>38,5</b>	<b>33,1</b>

Cash flows from operating activities	53,6	19,9	-6,5	12,4	7,2
Cash flows from investing activities	-9,4	-9,8	4,3	-7,6	-16,5
Cash flows from financing activities	-49,4	0,3	0,1	-2,6	9,2
<b>Total cash flows</b>	<b>-5,2</b>	<b>10,3</b>	<b>-2,2</b>	<b>2,2</b>	<b>-0,1</b>

#### Financial ratios %

Operating margin	4,7	7,0	2,9	1,6	1,6
Return on investment	9,1	13,1	5,4	3,5	3,4
Gross margin	37,4	39,1	33,8	34,2	34,7
Current ratio	124	149	143	163	140
Equity ratio	30,2	39,6	37,3	39,2	32,3
Return on equity	21,8	32,7	10,9	5,6	-1,7

<b>Average number of employees</b>	<b>150</b>	<b>158</b>	<b>160</b>	<b>161</b>	<b>159</b>
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The financial ratios have been prepared in accordance with the Danish Society of Financial Analysts' **guidelines** on the calculation of financial ratios. For terms and definitions, please see the accounting policies.

## Management's review

### Operating review

#### Principal activities

AGRAMKOW Fluid Systems A/S ([www.agramkow.com](http://www.agramkow.com)) is the parent company of the AGRAMKOW Group, which develops manufactures and markets high-tech processing equipment for the appliance and automotive industries, fluid maintenance equipment for automotive workshops and solutions for environment projects under the Montreal and Kyoto protocols.

Equipment and solutions for the appliance manufacturers comprise among other things, integrated vacuum, leak detection and fluid fill systems as well as test and data collection systems for refrigerator, freezer and air conditioning factories worldwide. Fluid fill and data collection systems are also supplied to manufacturers of cars. Equipment for the appliance and automotive industries is developed and manufactured in Sønderborg (DK) and marketed globally through AGRAMKOW partners and the following wholly-owned sales and service companies:

- AGRAMKOW Asia Pacific Pte. Ltd., Singapore
- AGRAMKOW do Brasil Ltda, Brazil
- GWO Anlagenbau GmbH, Germany
- AGRAMKOW UK (branch)

Fluid maintenance equipment for automotive workshops is developed, manufactured and sold in York, PA (USA) by the wholly-owned RTI Technologies Inc. ([www.rtitech.com](http://www.rtitech.com)), who is also the primary supplier of equipment for environmental projects.

#### Development in activities and financial position

In 2008 the group achieved a turnover of DKK 212 million against DKK 210 million the previous year. The group was affected by decreasing turnover, first of all in the USA in the second half of 2008. AGRAMKOW experienced a very satisfactory result, whereas RTI Inc. experienced a minor deficit in 2008. Both companies have introduced several new concepts which have been positively received and which have consolidated the position of the companies.

The profit of the year is DKK 8.5 million against DKK 14.1 million in 2007.

AGRAMKOW has signed a global cooperation agreement with the Robert Bosch group to the effect that AGRAMKOW/RTI is to deliver products/technology to Bosch world-wide. This agreement concerns existing coolants, as well as future new coolants. This cooperation holds a great potential which is expected to come into effect in the period 2010-2015.

The net capital of the group by the end of the year is DKK 30.5 million, which is equal to a solvency degree of 30.2%. The net capital has increased by DKK 0.4 million due to exchange rate adjustments concerning foreign daughters.

Over the financial year capitalized product development has been increased by DKK 7.6 million. AGRAMKOW continuously invests considerable resources in product development and several new and interesting products are coming up in 2009.

AGRAMKOW has a considerable knowledge and know-how within the field of using CO<sub>2</sub> as a coolant. Considering that the automotive industry in Europe has decided to use CO<sub>2</sub> as a coolant from 2011, this will open new and interesting possibilities of expansion for the group.

A positive profit is expected for 2009.

## **Statement by the Executive Board**

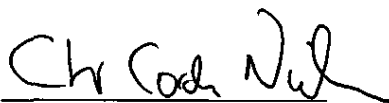
The Executive Board has today approved the English version of the annual report of AGRAMKOW Fluid Systems A/S for 2008.

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

I consider the accounting policies used to be appropriate. Accordingly, the annual report gives a true and fair view of the group's and the company's financial position at 31 December 2008 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 2008.

I hereby confirm that the annual report of AGRAMKOW Fluid Systems A/S for 2008 has been approved at the annual general meeting as per 13 May 2009.

Sønderborg, 7 December 2009  
Executive Board:



Christian Cordsen Nielsen  
CEO

## Financial statements 1 January - 31 December

### Income statement

DKK'000	Note	Consolidated		Parent company	
		2008	2007	2008	2007
<b>Revenue</b>		212.161	210.323	120.262	112.037
Other operating income		149	0	2.092	2.470
Changes in inventories of work in progress and finished goods		3.704	-741	2.384	965
<b>Total income</b>		216.014	209.582	124.738	115.472
Raw materials and consumables		-114.140	-105.061	-60.492	-54.282
Other external costs		-22.613	-22.356	-11.384	-9.170
<b>Gross margin</b>		79.261	82.165	52.862	52.020
Staff costs	1	-54.051	-53.883	-34.140	-32.117
Depreciation	2	-8.783	-6.937	-6.255	-4.900
Other operating costs		-6.453	-6.597	-3.143	-3.225
<b>Operating profit</b>		9.974	14.748	9.324	11.778
Profit/loss from subsidiaries		0	0	-713	2.630
Net financing costs	3	-1.065	-355	298	-15
<b>Profit from ordinary activities before tax</b>		8.909	14.393	8.909	14.393
Tax on profit for the year	4	-439	-244	-439	-244
<b>Profit for the year</b>		8.470	14.149	8.470	14.149

### Proposed profit appropriation

DKK'000	2008	2007
Proposed dividends	0	27.524
Retained earnings	8.470	1.625
Transferred from special fund	0	-15.000
	8.470	14.149



## Financial statements 1 January - 31 December

### Balance sheet

		Consolidated		Parent company	
DKK'000	Note	2008	2007	2008	2007
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Intangible assets</b>	5				
Development projects		12.708	11.819	8.007	8.054
		<u>12.708</u>	<u>11.819</u>	<u>8.007</u>	<u>8.054</u>
<b>Property, plant and equipment</b>	6				
Leasehold improvements		231	338	0	0
Fixtures and fittings, tools, etc.		3.515	3.735	1.787	1.975
Leased operating equipment		659	537	0	0
		<u>4.405</u>	<u>4.610</u>	<u>1.787</u>	<u>1.975</u>
<b>Investments</b>	7				
Investments in subsidiaries		0	0	15.982	15.381
		<u>0</u>	<u>0</u>	<u>15.982</u>	<u>15.381</u>
<b>Total non-current assets</b>		<u>17.113</u>	<u>16.429</u>	<u>25.776</u>	<u>25.410</u>
<b>Current assets</b>					
<b>Inventories</b>	8	37.187	31.007	22.583	17.740
<b>Receivables</b>					
Trade receivables		31.666	32.777	18.267	14.896
Amounts owed by subsidiaries	9	0	0	5.732	9.684
Other receivables		5.623	25.214	4.911	24.636
Prepayments		1.799	1.760	875	959
		<u>39.088</u>	<u>59.751</u>	<u>29.785</u>	<u>50.175</u>
<b>Cash at bank and in hand</b>		<u>7.561</u>	<u>12.740</u>	<u>3.645</u>	<u>9.184</u>
<b>Total current assets</b>		<u>83.836</u>	<u>103.498</u>	<u>56.013</u>	<u>77.099</u>
<b>TOTAL ASSETS</b>		<u>100.949</u>	<u>119.927</u>	<u>81.789</u>	<u>102.509</u>

## Financial statements 1 January - 31 December

### Balance sheet

DKK'000	Note	Consolidated		Parent company	
		2008	2007	2008	2007
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	10				
Share capital		10.800	10.000	10.800	10.000
Reserve for net revaluation according to the equity method		444	0	444	0
Special fund		10.000	10.000	10.000	10.000
Retained earnings		9.270	0	9.270	0
Proposed dividends		0	27.524	0	27.524
<b>Total equity</b>		<b>30.514</b>	<b>47.524</b>	<b>30.514</b>	<b>47.524</b>
<b>Provisions</b>					
Warranty provisions		2.793	2.761	2.000	2.000
<b>Total provisions</b>		<b>2.793</b>	<b>2.761</b>	<b>2.000</b>	<b>2.000</b>
<b>Liabilities other than provisions</b>					
<b>Non-current liabilities</b>	11				
Other banks, etc.		249	175	0	0
		249	175	0	0
<b>Current liabilities</b>					
Instalment of non-current liabilities falling due in 2008	11	133	50	0	0
Bank loans and overdrafts		9.809	33.471	3.805	27.791
Prepayments received from customers		6.551	2.531	3.410	2.059
Trade payables		12.436	19.965	8.549	14.508
Amounts owed to subsidiaries	12	0	0	486	174
Corporation tax payable		23.054	0	23.054	0
Other payables		354	261	0	0
		67.393	69.467	49.275	52.985
<b>Total liabilities other than provisions</b>		<b>67.642</b>	<b>69.642</b>	<b>49.275</b>	<b>52.985</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>100.949</b>	<b>119.927</b>	<b>81.789</b>	<b>102.509</b>

## Financial statements 1 January - 31 December

### Notes

#### Consolidated cash flow statement

DKK'000	2008	2007
Revenue	212.161	210.323
Costs	-193.344	-187.977
<b>Earnings contribution</b>	18.817	22.346
Changes in inventories	-6.180	-83
Changes in receivables	20.633	-3.742
Changes in trade and other payables	21.505	2.957
Changes in warranties	32	87
Exchange rate adjustment of inventories, receivables and trade receivables	287	-1.054
<b>Cash flows from operations (operating activities)</b>	55.094	20.511
Net interest received and paid	-1.065	-355
Corporation tax for the financial year	-439	-244
<b>Cash flows from operating activities</b>	53.590	19.912
Investment in property, plant and equipment	-1.755	-2.670
Investment in intangible assets	-7.615	-7.176
<b>Cash flows from investing activities</b>	-9.370	-9.846
Changes in non-current liabilities	157	-14.171
Changes in current liabilities	-23.662	18.281
Dividends paid	1.600	0
<b>Cash flows from financing activities</b>	-49.429	279
<b>Cash flows from operating, investing and financing activities</b>	-5.179	10.345
Cash and cash equivalents at 1 January	12.740	2.395
<b>Cash and cash equivalents at 31 December</b>	7.561	12.740