

Acquisition announcement July 7, 2016

Stock exchange release

Danfoss A/S

July 7, 2016

Danfoss A/S to acquire Sondex Holding A/S

On July 7, 2016, Danfoss A/S ("Danfoss") signed an agreement to acquire full ownership of privately-held Sondex Holding A/S ("Sondex"), Denmark.

Sondex is a leader in heat transfer technologies and develops, produces and markets heat exchangers. Sondex is headquartered in Kolding, Denmark, and employs approximately 1,200 employees worldwide and has a turnover of approximately DKK 1bn.

Sondex represents an ideal match to the heat exchanger business of Danfoss. Combining the two businesses, Sondex and the Danfoss Heat Exchanger business, is a lever to develop the already strong market position in district energy and HVAC, and to increase relevance within industries such as marine, food & beverage, off-shore, and industrial refrigeration. Thus, the bolt-on acquisition confirms the strategic focus on building leading positions through organic and acquisitive growth within Danfoss' existing core business areas. The plan is to integrate the combined Danfoss and Sondex heat exchanger business into the Danfoss Group as part of the Danfoss Heating business segment.

The parties have not disclosed the purchase price or other conditions of the transaction. The content of this announcement is not expected to have a material impact on the previously announced outlook for the financial year 2016 as reported in the Annual Report 2015.

The closing of the transaction is dependent on regulatory approval of the transaction.

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