

# 5

## GENERAL INFORMATION

180	Responsibility Statement
181	Auditor's Report
183	Glossary
184	Contacts

## RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Frankenthal, 21 March 2017

The Board of Management

## AUDITOR'S REPORT

We have audited the consolidated financial statements prepared by KSB Aktiengesellschaft, Frankenthal/Pfalz, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January to 31 December 2016. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB (“*Handelsgesetzbuch*”: German Commercial Code) is the responsibility of the parent Company’s Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the *Institut der Wirtschaftsprüfer* (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company’s Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements, complies with statutory provisions, provides a suitable view of the Group's position overall and suitably presents the opportunities and risks of future development.

Mannheim, 21 March 2017

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Dr. Ulrich Störk  
Wirtschaftsprüfer

ppa. Christina Pöpperl  
Wirtschaftsprüferin

## GLOSSARY

### ABBREVIATIONS

#### BRIC

Acronym for the four major emerging countries referred to as the "BRIC states": Brazil, Russia, India and China

#### ISO 14001

International standard stipulating requirements to be met by environmental management systems

#### IMF

International Monetary Fund

#### VDMA

Verband Deutscher Maschinen- und Anlagenbau e.V.  
[German Engineering Federation]

### KEY CORPORATE AND TECHNICAL TERMS

#### 3D polymer printing

A process in which three-dimensional plastic parts can be built up layer by layer

#### Design to cost

A product development process aimed at finding the most cost-effective solution for individual components beginning at the development stage

#### ERP system

An Enterprise Resource Planning system is a software solution which handles the integrated management of a company's core business processes.

#### FluidFuture

KSB programme to increase the efficiency of pump systems

#### Additive manufacturing processes

A process for fast and cost-effective manufacturing of patterns, samples, prototypes, tools and final products

#### Industry 4.0

A visionary project from the German government's future technologies strategy aimed at bringing the real and the virtual world together while encompassing the "Internet of Things"

#### Laser melting

A production method used to create metal components layer by layer on the basis of 3D CAD data

#### Ombudsperson

A neutral adjudicator; in the context of corporate governance a person of trust who accepts anonymous information relating to potential infringements

#### Retrofit measures

Modernisation of installed systems or components, often aimed at extending their service life, increasing efficiency or complying with new legislation

#### Stakeholders

Groups directly or indirectly affected by a company's activities; in the case of KSB these include customers, suppliers, investors, employees and the public.

#### UN Global Compact

A global initiative for businesses and organisations launched by the United Nations with the aim of shaping social and ecological globalisation

## CONTACTS

### EDITOR

KSB Aktiengesellschaft  
 Johann-Klein-Strasse 9  
 67227 Frankenthal, Germany  
 Tel. +49 6233 86-0  
 Fax +49 6233 86-3401

### ONLINE NEWS

You will find the latest news  
 on the KSB Group at: [www.ksb.com](http://www.ksb.com)

Should you need additional information,  
 please contact:

### INVESTOR RELATIONS

Ralf Pfundmaier  
 Tel. +49 6233 86-2053  
 Fax +49 6233 86-3454  
 E-mail: [investor-relations@ksb.com](mailto:investor-relations@ksb.com)

### COMMUNICATIONS

Ullrich Bingenheimer  
 Tel. +49 6233 86-2138  
 Fax +49 6233 86-3456  
 E-mail: [ullrich.bingenheimer@ksb.com](mailto:ullrich.bingenheimer@ksb.com)

### CONCEPT AND DESIGN

KSB Communications, Frankenthal  
 3st kommunikation, Mainz


### PHOTOGRAPHY

KSB Image Library  
 Robert Kwiatek, Frankenthal (p. 4/5 + 19 + 56)  
 Getty Images (p. 32/33 + 36/37 + 44/45)  
 shutterstock (p. 26/27 + 48/49)  
 eo Vision/ESA (2017) (p. 40/41)  
 Les Puits du Désert (p. 25)

### PRINTING

Ottweiler Druckerei und Verlag GmbH, Ottweiler



As a signatory to the United Nations Global Compact , KSB is committed to endorsing the ten principles of the international community in the areas of human rights, labour standards, environmental protection and anti-corruption.

A print version of the KSB Group's Annual Report is additionally available in German. We also publish German and English versions online in PDF and HTML formats at <http://annualreport2016.ksb.com>.

