

FINAL TERMS

Final Terms dated 9 December 2014

DANFOSS A/S

Issue of EUR 500,000,000 1.375 per cent. Fixed Rate Notes due 23 February 2022

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 26 November 2014 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and these Final Terms are available for viewing at www.danfoss.com and during normal business hours from Danfoss A/S at Nordborgvej 81, 6430 Nordborg, Denmark and copies may be obtained from the Paying Agent, Citibank, N.A., London Branch, at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB United Kingdom.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU **provided, however, that** all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

1. Issuer: Danfoss A/S
2. (i) Series Number: 1
- (ii) Tranche Number: 1
- (iii) Date on which the Notes become fungible: Not Applicable
3. Specified Currencies: Currency or EUR
4. Aggregate Nominal Amount:
 - (i) Series: EUR 500,000,000
 - (ii) Tranche: EUR 500,000,000

5. Issue Price: 99.533 per cent. of the Aggregate Nominal Amount
6. (i) Specified Denominations: EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000.
- (ii) Calculation Amount: EUR 1,000
7. (i) Issue Date: 11 December 2014
- (ii) Interest Commencement Date: Issue Date
8. Maturity Date: 23 February 2022
9. Interest Basis: 1.375 per cent. Fixed Rate per annum
(further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Change of Control Put
Issuer Call
(See paragraph 17 below)
13. Date Board approval for issuance of Notes obtained: 25 September 2014

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** Applicable
- (i) Rate of Interest: 1.375 per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Dates: 23 February in each year from and including 23 February 2015 up to and including the Maturity Date
- (iii) Fixed Coupon Amount: EUR 13.75 per Calculation Amount, payable on each Interest Payment Date other than 23

February 2015

(iv) Broken Amount: Short first coupon: EUR 2.79 per Calculation Amount, payable on 23 February 2015

(v) Day Count Fraction: Actual/Actual (ICMA)

15. **Floating Rate Note Provisions** Not Applicable

16. **Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** Applicable

(i) Optional Redemption Dates: The Notes may be redeemed on any date from 11 December 2014 to but excluding 23 November 2021 at the Make Whole Redemption Price

The Notes may be redeemed on any date from 23 November 2021 to but excluding 23 February 2022 at their principal amount

(ii) Optional Redemption Amounts of each Note: Make Whole Redemption Price in the case of the Optional Redemption Dates falling in the period from and including 11 December 2014 to but excluding 23 November 2021

EUR 1,000 per Calculation Amount in the case of the Optional Redemption Dates falling in the period from and including 23 November 2021 to but excluding 23 February 2022

(iii) Make Whole Redemption Price: Make Whole Redemption Amount

(a) Reference Bond: Deutsche Bundesbank EUR 20,000,000,000 2 per cent. Federal Bonds due 4 January 2022

(b) Quotation Time: 10 a.m. CET

(c) Redemption Margin: 0.16 per cent.

(d) Determination Date: Not Applicable

(e) Reference Dealers: Not Applicable

	(f) Determination Agent:	Danske Bank A/S
	(iv) If redeemable in part:	
	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount	Not Applicable
	(v) Notice period:	Not less than 30 nor more than 60 days
18.	Put Option	Not Applicable
19.	Final Redemption Amount of each Note	EUR 1,000 per Calculation Amount
20.	Early Redemption Amount	EUR 1,000 per Calculation Amount
	Early Redemption Amount / Early Termination Amount per Calculation Amount payable on redemption for taxation reasons or on event of default:	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
22.	New Global Note:	Yes
23.	Additional Financial Centres or other special provisions relating to payment dates:	Not Applicable
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No.

Signed on behalf of Danfoss A/S:

By:

Duly authorised

JESPER V. CHRISTENSEN
EVP & CFO

Flemming Aaskov Jørgensen
Group Treasurer - Danfoss A/S

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market with effect from 11 December 2014
- (ii) Estimate of total expenses related to admission to trading: EUR 500

2. RATINGS

The Notes to be issued are expected to be rated:

Ratings:

Standard & Poor's Credit Market Services Europe Limited: BBB

Standard & Poor's Credit Market Services Europe Limited is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

The Managers will receive a portion of the proceeds as repayment of existing facilities, as well as any fees payable to the Managers in relation to the offer of the Notes. So far as the Issuer is aware, no other person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER

See "*Use of Proceeds*" wording in the Base Prospectus.

5. YIELD

Indication of yield: 1.444 per cent. per annum. The yield is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **OPERATIONAL INFORMATION**

ISIN: XS1152089345

Common Code: 115208934

Delivery Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

7. **DISTRIBUTION**

(i) Method of Distribution: Syndicated

(ii) If syndicated:

(A) Names of Managers: BNP Paribas, Danske Bank A/S, Nykredit Bank A/S and Skandinaviska Enskilda Banken AB (publ)

(B) Stabilisation Manager(s) (if any): Danske Bank A/S

(iii) If non-syndicated, name of Dealer: Not Applicable