Annual report 2012

nne pharmaplan®

Engineering for a healthier world

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NNE Pharmaplan in 2012

Satisfactory financial results
2012 marked an important turning point for NNE Pharmaplan as we managed to deliver an operating profit of DKK 66 million, corresponding to an operating profit margin of 3.9 percent. This was a significant improvement compared to the less satisfactory results of previous years. While we still have some way to go to achieve results that match the best of our peers, the results were above expectations despite continued intense competition in the market.

Improvements in global knowledge sharing
NNE Pharmaplan's customers are local as well as global pharmaceutical companies to whom it is important that the standards of their facilities meet the requirements from their local authorities as well as the global authorities such as the European Medicines Agency (EMEA) and the US Food and Drug Administration (FDA). NNE Pharmaplan therefore strives to ensure that the standards, quality and processes that are adhered to for designs of a production facility are the same wherever the project is undertaken. To this end, we are continuously improving our quality management and design processes and in 2012 we established a global model for our engineering and consulting services. Access to experts on all relevant subject matters is secured via our IT systems and ensures that information and best practices are available and flowing freely across the organisation. Communities of Interest on different subject matters are responsible for assembling, as well as continuously developing, knowledge in all areas relevant to our customers.

Building thought leadership
To continuously improve our services to customers in the pharma and biotech industry, the following investments were made in 2012:

- Establishing a centre of competence for vaccines in India.
- Establishing a centre of competence for biotech in China - especially to address the requirements for more flexible biotech facilities.
- Directing our offerings towards biopharmaceutical customers with a standard biotech facility concept called Bio on Demand™.
- Continuing our participation in leading pharma and biotech organisations, including the International Society of Pharmaceutical Engineering (ISPE) where NNE Pharmaplan's candidate was elected chair of the international board for the period of 2012-2013.
- Increasing our participation in conferences and our industry contributions in the form of articles and customer presentations around the world. Our achievements in 2012 included winning the Article of the Year in the magazine *Pharmaceutical Engineering*.

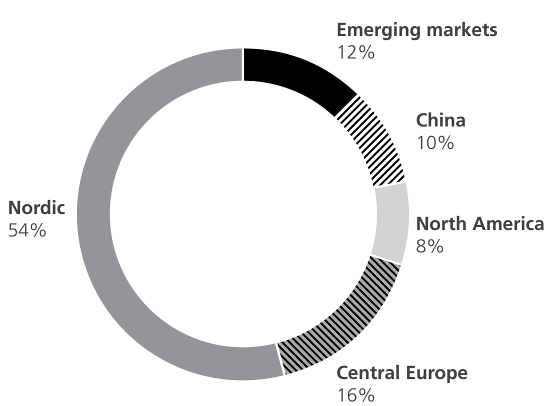
OUTLOOK FOR 2013

The order book and pipeline indicate a slight increase in turnover in 2013, and we expect to continue increasing our operating profit compared to 2012.

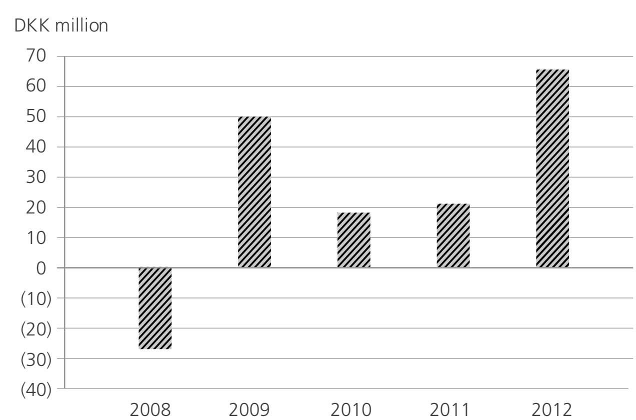
KEY FIGURES

INCOME STATEMENT (DKK MILLION)	2012	2011	2010	2009	2008
Turnover	1,673.5	1,504.3	1,466.4	1,487.7	1,667.6
Operating profit	65.7	22.3	18.5	49.7	(26.9)
Net profit	35.3	1.1	5.5	19.1	(32.1)
ASSETS & EQUITY (DKK MILLION)					
Total assets	706.9	705.8	671.4	588.9	679.3
Total equity	156.4	147.9	146.6	140.9	128.4
FINANCIAL RATIOS					
Operating profit margin (EBIT margin)	3.9%	1.5%	1.3%	3.3%	(1.6%)
Return on equity	23.2%	0.8%	3.8%	14.2%	(20.2%)
Solvency ratio	22.1%	21.0%	21.8%	23.9%	18.9%
PEOPLE					
Number of employees at end of year (FTE)	1,659	1,668	1,649	1,579	1,524

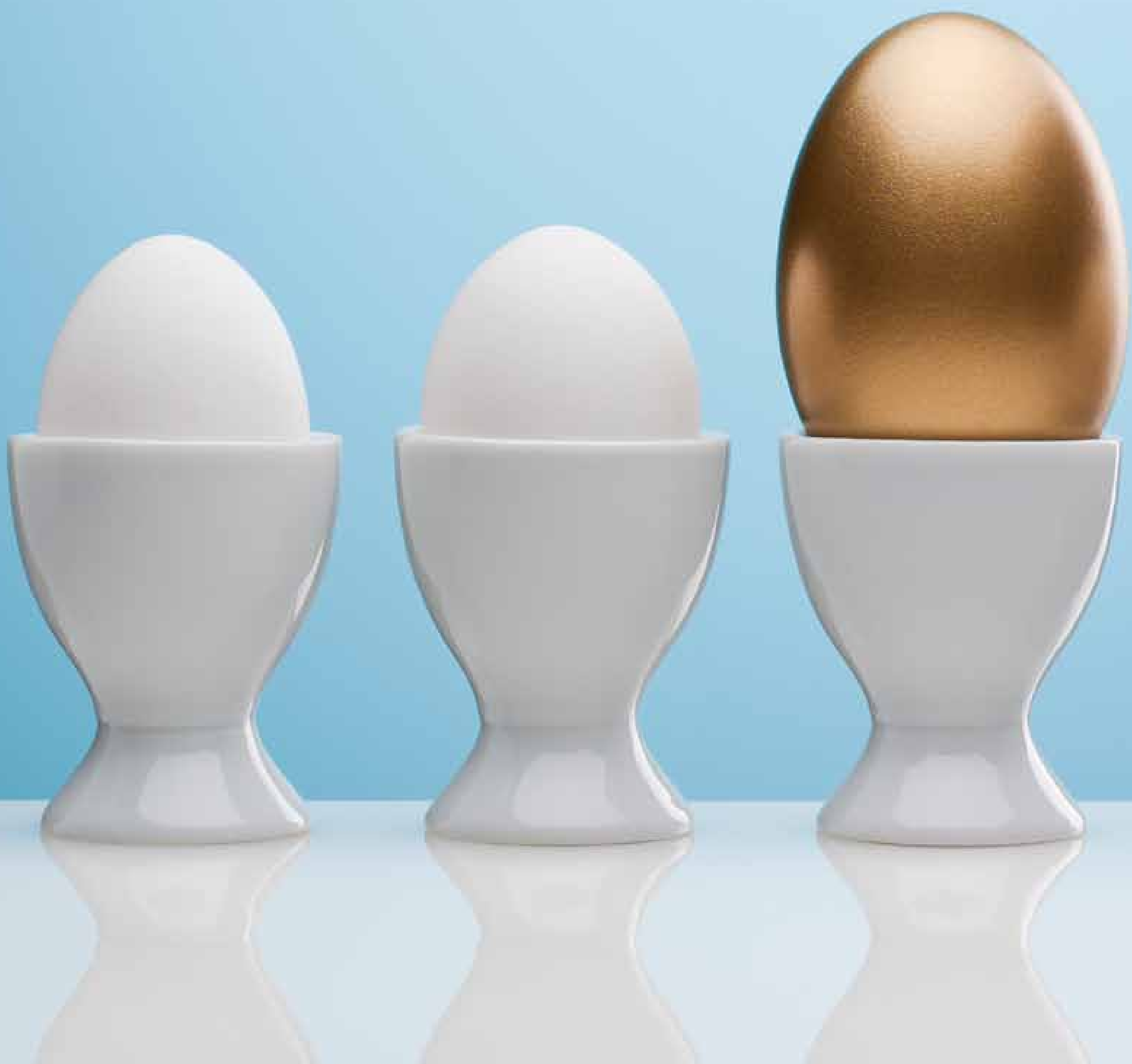
TURNOVER BY REGION 2012



OPERATING PROFIT



A satisfactory year



CHAIRMAN AND CEO STATEMENT

2012 marked a turning point for NNE Pharmaplan. We succeeded in achieving a satisfactory financial result while continuously making progress on our plans to improve key processes to the benefit of our customers.

In 2012, NNE Pharmaplan delivered its strongest operational financial performance ever. Turnover increased by 11 percent to DKK 1,673 million. Operating profit was DKK 66 million, which corresponds to an operating profit margin of 3.9 percent. The result in 2012 was largely due to our continued efforts to improve utilisation and optimise processes related to project execution.

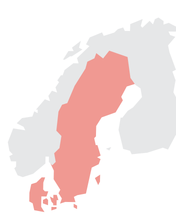
In order to develop the way we conduct our business, we strive to maintain a close dialogue with our customers regarding ways to improve our offering in relation to their business needs. At the same time, we continue to invest in improving our project management and quality assurance processes, and we invest in knowledge sharing and knowledge development. We also aim to attract the best people and ensure their continued development.

NNE Pharmaplan's ambition is to increase the turnover with our strategic customers by 10 percent each year. Generating repeat business with the same customers calls for us to deliver what we promise and we do this by completing projects on time and budget and at the right level of quality. Delivering on time and budget is a key performance indicator which we constantly monitor. We want to make sure that we continuously improve and accomplish our targets of being at the forefront of know-how within the production and quality processes in the pharma and biotech industry. We must also work closely with our customers to understand and meet their success criteria. This in turn requires dedicated and talented employees that live the values of the company.

The expected result from all these strategic initiatives in progress is a profitability that matches the best in our sector. The long-term target is set to have an operating profit margin of 8 percent.

Regional performance

Nordic



The Nordic region (Denmark and Sweden) achieved a very good result in 2012 that was well above budget. The positive result was driven by higher resource utilisation, generally improved project performance and high activity levels in both Danish and large international projects. Organisational changes were implemented in order to strengthen the business and make the region more customer-focused. In southern Sweden, we opened a new office in Lund's Medicon Village, which is becoming a significant biotech hub. The region closed the year with a solid order book for 2013 and significant leads in the pipeline.

Central Europe

Central Europe (Germany, France, Switzerland and Belgium) performed well, mainly driven by high resource utilisation and good project execution – especially in Switzerland. France delivered a solid result in the second half of the year after a weak start. In Germany we have begun to see the first signs of our long-term commitment to serve the German market by increasing order entry from local customers. In 2012 we also opened a new office in Belgium, close to some of our strategic customers with a strong presence in Central Europe. Overall the outlook for Central Europe is very promising.

Investing in knowledge sharing

NNE Pharmaplan is dedicated to serving the pharma and biotech industry with consulting and engineering related services. We aim at ensuring that our customers have access to the necessary expertise wherever it may be available within our operations in Europe, North America and Asia. NNE Pharmaplan continues to invest in IT systems that support our ability to deliver uniform services across all locations and support knowledge sharing and knowledge development by linking subject matter experts with the project teams at the customer's location. Through 25 Communities of Interest across the company, relevant knowledge is regularly distributed and new insights are added. The continued investment to remain at the forefront of engineering and consulting in the pharma and biotech industry requires the dissemination of our entire organisation's repository of knowledge. It is the key to always improving our services to our customers.

At the forefront of the industry

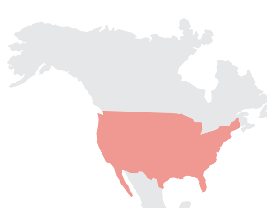
An important prerequisite for becoming the leading engineering and consulting company in the pharma and biotech industry is providing clear business benefits to our customers. With the help of our employees, NNE Pharmaplan has been contributing with implementation of important industry guidelines, standards and training for more than 20 years. For the 2012-2013 term, an NNE Pharmaplan employee has been elected chair of the International Society for Pharmaceutical Engineering (ISPE), a global non-profit organisation and the most important professional organisation in the pharmaceutical industry. The 22,000 ISPE members come from 90 countries and our participation raises NNE Pharmaplan's visibility around the world.

In 2012, NNE Pharmaplan delivered its strongest operational financial performance ever.

For NNE Pharmaplan, our large number of industry experts plays an important part of our promise to our customers. These experts support our ongoing efforts of being at the forefront of the pharma and biotech industry.

Regional performance

North America



After a disappointing financial result in 2011, the turnaround in the North American region was a key objective for 2012. The region has demonstrated its ability to raise its performance and has successfully turned around the business. The North American engineering market was challenging, but the region has boosted its order book over the past six months and further improvements are expected.

China

After last year's disappointing result, China is back on track with a high performance. The growth rates in China's pharma market continue to attract both investors and competitors. The transition in the customer base towards more international pharmaceutical companies has succeeded although it took longer than expected. During 2012, the region took on the challenge and growth was achieved, especially in Shanghai where the region has been successful with some big international and local customers. The order book looks promising for 2013 and continued strong growth is expected.

Financial results

In 2012, NNE Pharmaplan had a total turnover of DKK 1,673 million, which is an increase of DKK 169 million compared to 2011. The turnover generated from customers outside the Novo Nordisk Group increased by DKK 108 million in 2012 to DKK 1,040 million. Turnover growth was largely driven out of the Nordic region followed by Central Europe and North America.

The operating profit in 2012 was DKK 66 million (2011: DKK 22 million), corresponding to an operating profit margin of 3.9 percent, which is a satisfactory result compared to the target for the year of 3 to 4 percent. The strong order entry and backlog, especially in the first half of 2012, resulted in high utilisation and high business activity. Furthermore, the result was positively impacted by a handful of larger projects with international strategic customers adding considerably to our business activities well into 2013.

Outlook for 2013

We expect competition to continue at the same level in 2013 and prices to remain under pressure. NNE Pharmaplan's customers are challenged by several factors, including health care reforms and expiring patents, which will result in fewer investments by several of our customers. In 2013 we will focus on getting closer to our customers, understanding their needs, plans for the future and success criteria as well as delivering on our promises in the projects we undertake.

The order book and pipeline indicate a slight increase in turnover in 2013, and we expect to continue to increase our operating profit compared to 2012.

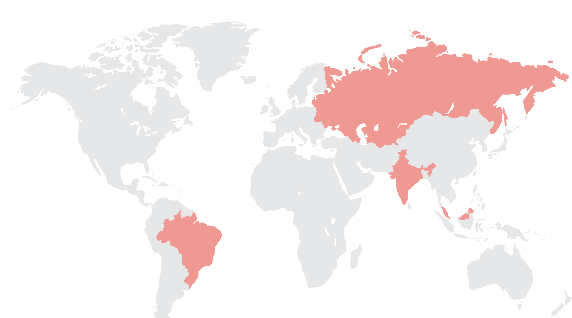
Our long-term target of achieving an operating margin of 8 percent remains unchanged.

Morten Nielsen
CEO and President

Birgit W. Nørgaard
Chairman

Emerging Markets

In the Emerging Markets region (Russia, India, Malaysia and Brazil), 2012 was a challenging year. India and Brazil delivered above expectations, Malaysia delivered as expected, and Russia delivered significantly below expectations because of significant challenges on a couple of projects. However, Russia closed 2012 with a promising pipeline. Overall, the situation in the Emerging Markets region was characterised by cautious optimism due to a more stable business and a solid business performance during the last quarter of 2012.



MARKET TRENDS

New demands in a changing industry

The pharmaceutical industry is currently undergoing major changes. In 2012 and over the next few years, a large number of significant patents are set to expire and at the same time new requirements for product and process understanding are emerging. On top of this, new economies and new markets are taking the lead, forcing many pharmaceutical companies to revise their business strategies.

The biggest patent expiry year that the pharmaceutical industry has ever seen was 2012.

The patent expiry cliff is setting the direction in the industry
The pharmaceutical industry is a challenging business and the period of 2011-15 in particular is by some considered to be a "perfect storm" of extraordinary conditions that has been called the "patent expiry cliff". Several big products are going off patent and becoming generic drugs. This has a significant impact on several companies' business outlook as the products constituted a substantial part of revenue and earnings, and thereby their market value.

The biggest patent expiry year that the pharmaceutical industry has ever seen was 2012, so the good news is that the worst is over. However, the patent expiry cliff actually involves two different trends: patent expiry on the so-called "small molecule drugs" (OSD – Oral Solid Dosage forms) came first and now the patent expiry on the "large mo-lecule biotech" products (typically sterile injectable products) is becoming significant. The OSDs will remain the largest pharmaceutical product type in volume, whereas the strongest growth in value is in large molecule injectable products.

The patent expiry cliff will have a considerable impact on several of NNE Pharmaplan's customers from now and until 2016. Many pharmaceutical companies have diversified, with business in several areas and with several technology approaches. For example, many companies combine medicines with medtech (devices, diagnostics, drug delivery, etc.) and more and more companies are choosing to take the same direction. The medtech industry is in fact growing faster than the pharmaceutical industry and holds significant business opportunities.

Emerging markets are taking the lead
The strongest growth in the pharmaceutical industry is no longer in Western Europe and North America, but in emerging markets and especially in China. From 2011 to 2016, emerging markets are expected to grow extensively.

While the United States will remain the largest market (at almost three times the size of China), Brazil, India and Russia will grow faster than many of the traditional pharmaceutical markets towards 2016. However, the markets

Many pharmaceutical companies have diversified, with business in several areas and with several technology approaches.

of developed economies and the markets of emerging economies are very different. The drug prices in developed countries are higher, but the volumes are significantly larger in emerging markets. Besides, we see a trend where new products are first launched in developed countries and most of the products in emerging markets are still traditional tablets, etc.

NNE Pharmaplan is well positioned in the leading countries: China, India, Brazil, Russia and Malaysia. We have secured a recognised market position that we will use to expand our business in these countries and other emerging markets.

New and stricter regulations
Like the pharmaceutical industry as a whole, regulatory conditions are also undergoing significant changes. New regulations are followed by stronger enforcement and, especially in the United States, the number of warning letters and enforcement actions has increased notably. The requirements for product and process understanding have also increased since the Food and Drug Administration (FDA) implemented new guidelines for process validation and quality management systems. For the last four years the FDA commissioner has also increased the enforcement actions towards companies that are not in compliance in order to protect public health.

For some companies, these developments have impacted their business through warning letters, plant closures, and consent decrees and even delays on new drug approvals until issues of compliance with Good Manufacturing Practice (GMP) have been solved.

After 10 quiet years, the interest in developing a concept for "the facility of the future" is growing considerably.

NNE Pharmaplan has for the last couple of years contributed to a training programme for inspectors of the US Food and Drug Administration (FDA). And we have helped several of our customers get facilities ready for inspections and eliminate compliance gaps.

Facilities of the future
Many of NNE Pharmaplan's customers have seen that significant changes in the industry can also affect the future of the pharmaceutical manufacturing industry. After 10 quiet years, the interest in developing a concept for "the facility of the future" is growing considerably, and several companies have started projects in order to build the next generation of agile, flexible, small and user-focused facilities to replace or supplement their traditional facilities.

To address some of the requirements for more flexible facilities, NNE Pharmaplan has established a standard biotech facility concept called Bio on Demand™ which can be built on-site in the traditional way or off-site as a modular facility. Read more about this in the Markets and customers section.

CASE STORY

From China to USA: Building the world's most advanced enzyme plant for biofuel

Novozymes' new facility for production of enzymes for biofuel is record-setting in many regards: It's the largest of its kind in North America, the most advanced of its kind in the world, and it represents the largest ever offshoring project for NNE Pharmaplan.

With oil supplies running scarce and the environment suffering under the CO_2 emissions from accelerating gas consumption, there is a huge need for more sustainable alternatives. One of these alternatives is biofuel, which can lower CO_2 emissions up to 90 percent compared to gasoline and significantly reduce our dependence on fossil fuels.

On 30 May 2012, Novozymes, one of the world's largest enzyme producers, inaugurated a new plant in Blair, Nebraska. The plant will specialise in making world-leading enzymes, a key technology component for the biofuel market.

Setting new records
With an investment of USD 200 million and nine buildings with a floor space of 137,000 sq. ft., the new Novozymes facility is the largest enzyme plant dedicated to biofuel in North America. In addition, its sheer size combined with front-line, large-scale process equipment makes it the world's most advanced enzyme plant for biofuel.

For NNE Pharmaplan, the plant also represents a record as the biggest offshoring project in the company history. A total of 45,000 m^3 were shipped from China to the US – equivalent to 1,300 20' containers.

A watertight plan – almost
An offshoring project of this calibre requires meticulous planning to make everything come together logistically and timewise.

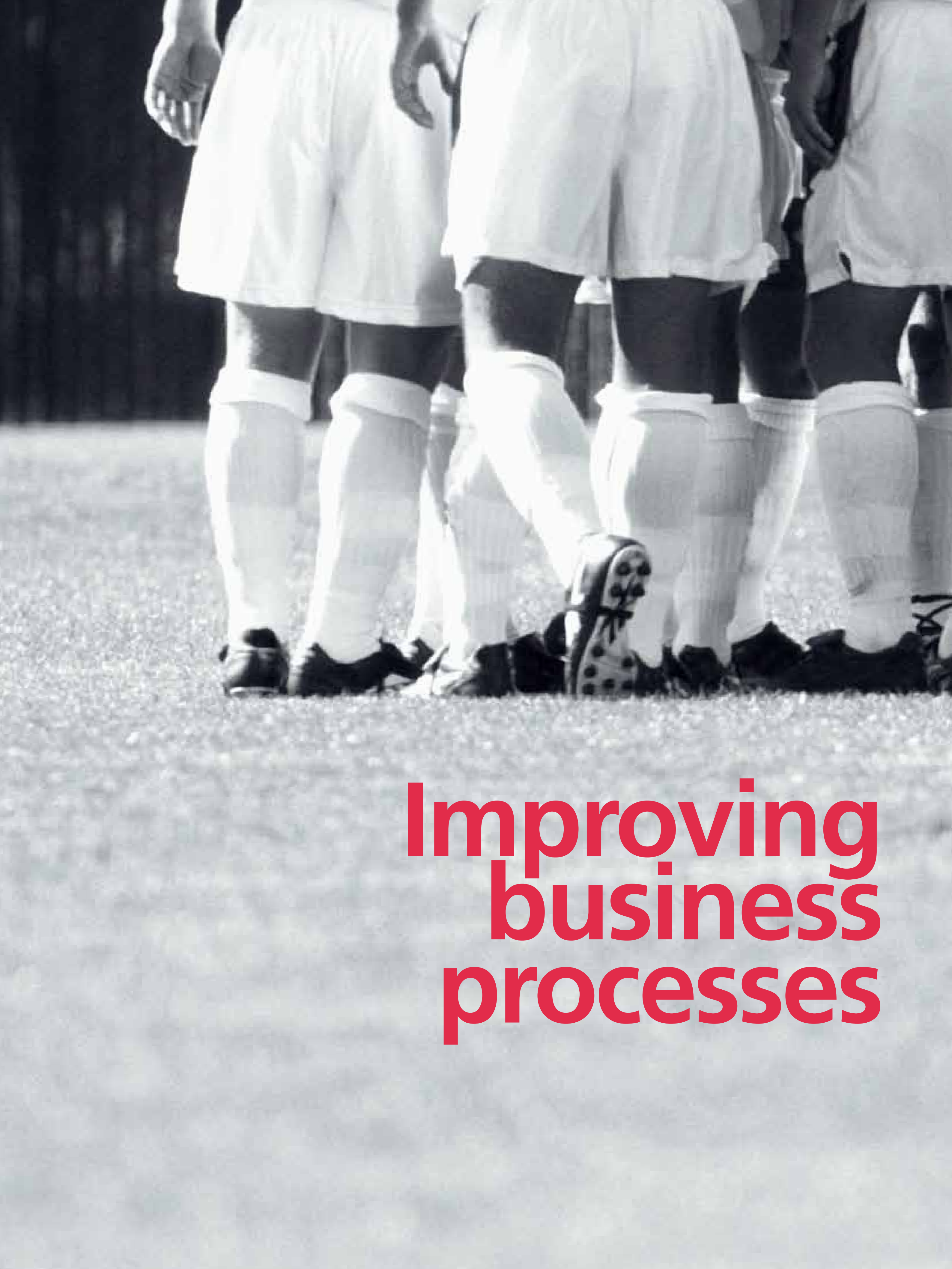
NNE Pharmaplan established a 9,000 m^2 assembly yard in Ning Bo, 120 km south of Shanghai, where complete module frames were erected, tank equipment welded and extensive piping mounted for each module. Meanwhile, construction preparations were carried out on the site in Blair to make sure it was ready when the modules arrived.

Once completed the modules were transported by ship to New Orleans. Each container and module was labelled to identify exactly where – and when – they fit in with the rest. From New Orleans, the modules were transferred to barges which were to take them up the Mississippi and Missouri Rivers to Blair, where a special dock had been built.

But then Mother Nature interfered. That particular winter Montana had seen an extreme amount of snow and combined with above-average rain in the spring, the US authorities had no other choice but to open the dams and flood several cities along the Missouri River. That included Blair and the newly built dock.

Back on dry land
As a result of the flooding, the modules were stuck in New Orleans until the river was reopened. We were able to arrange for some of the components to be transported by road, but despite our best efforts the flooding set us back a couple of months.

During summer 2012, all process equipment were installed and commissioned, and the plant was now ready for production. The first batches were harvested with a good result and the facility is prepared to supply enzymes to some of the first advanced bio refineries, as well as to the existing industry.



Improving business processes

BUSINESS STRATEGY

The focus in 2012 was to enhance resource utilisation, project execution and competences within our organisation. Our efforts paid off and the outcome was a satisfactory financial result.

Improving profitability
In 2012, NNE Pharmaplan managed to deliver a satisfactory financial result and improved the profitability compared to 2011. The result was mainly due to a determined effort to ensure smarter project execution processes and to increase our resource utilisation. We harmonised our financial model for preparing offers and we enhanced our procedures for financial project follow-up and project management.

Improving project execution
We aim to ensure that the success criteria of our customers are met and exceeded through the projects we undertake. During 2012 we received valuable input from our customers about what we do well and where we can excel as well as how we can improve. Ensuring a continuous feedback loop from our customers is essential to continuously improve the way we conduct our business.

Through Communities of Interest, we have a global network with intimate knowledge of special disciplines. This plays an important role in ensuring continuous knowledge sharing and improvements. In 2012 a conscious effort was made to update and improve our databases that contain best practice examples and knowledge about a vast number of subjects and issues relevant for our customers. This enables us to bring the best knowledge to bear on technical disciplines as well as project management and quality assurance.

Financial Management
At the end of 2012, we implemented a new finance model. The model makes costs and profit contributions more transparent and ensures that project performance is measured in the same way throughout all companies within NNE Pharmaplan. In the coming years, we will continue to focus on optimising the tool and the processes.

Long-term strategic goals

Long-term relationships with customers

10%

growth in turnover from strategic customers per year

Execute smarter

95%

or more of our projects are being executed on index 100 or above on time and budget

Strategic focus in 2013: Build trust-based relationships with our customers.
Based on the valuable feedback received by our customers through surveys and interviews during 2012, we will focus on leveraging the skills and competences that NNE Pharmaplan is recognised for among its customers, notably within industry focus, conceptual designs, basic design, compliance and global outlook. In order to fulfil expectations, we will also continue our efforts to make improvements where required in terms of our competences and processes.

Long-term strategic goals
NNE Pharmaplan's strategy is based on four cornerstones:

- We will build more long-term relationships with our customers.
  Strategic goal: Turnover from strategic customers to grow by 10 percent per year.

- We will improve our business processes with smarter, more flexible and cost-effective solutions for our customers.
  Strategic goal: 95 percent of projects on index 100 or above, on time and budget.

- We want our customers to recognise us as a truly global organisation that shares the same aim and business focus no matter which region, office or department they work with.
  Strategic goal: 35 percent of our people act as ambassadors, measured by their engagement, satisfaction and loyalty of our employees.

- Through the above initiatives, we will maintain a constant focus on improving our profitability and ensuring reliable and sustainable business results.
  Strategic goal: An operating profit margin of 8 percent.

Become one organisation

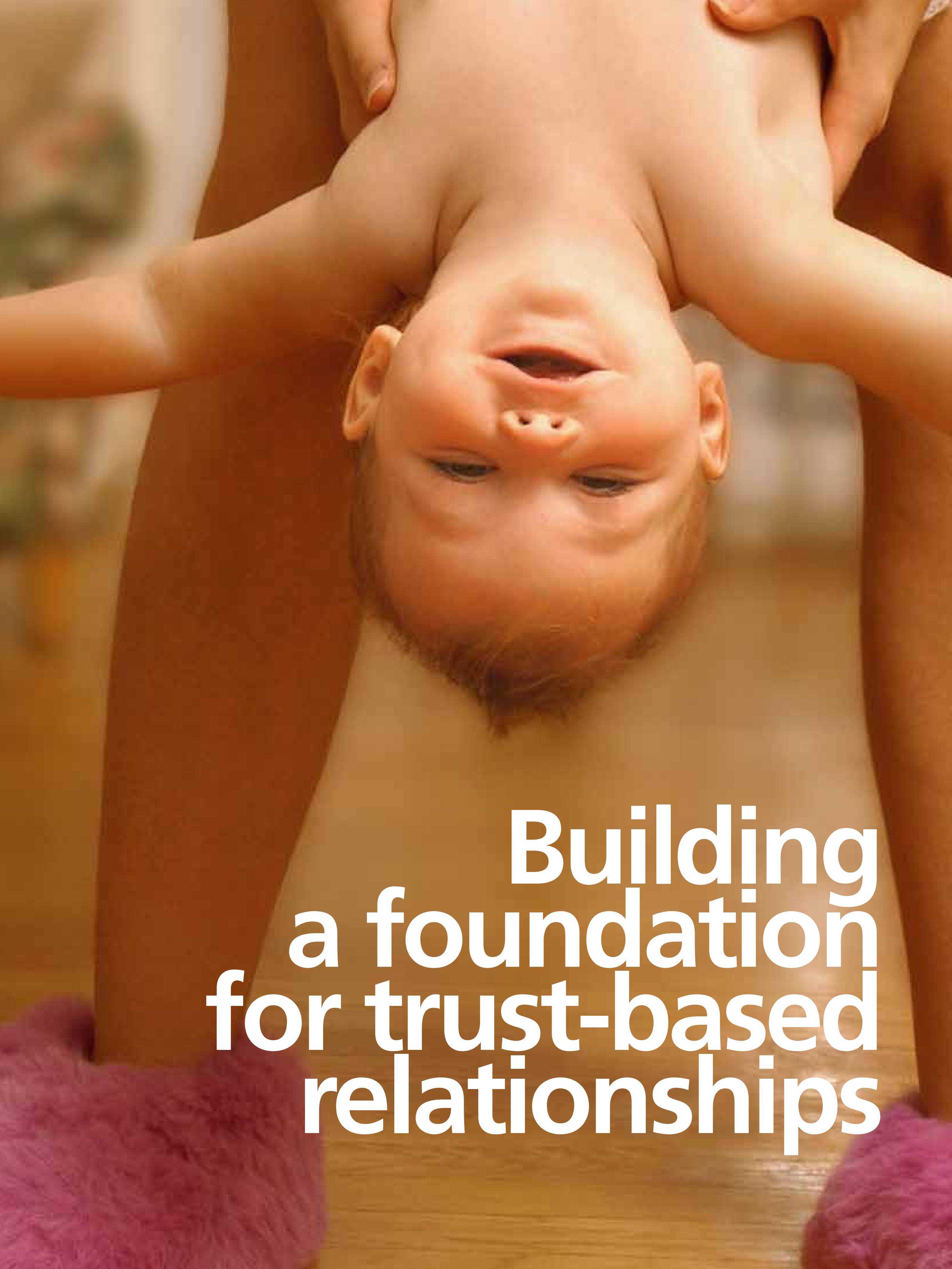
35%

or more of our people act as ambassadors of the company

Deliver competitive business results

8%

operating profit margin



Building a foundation for trust-based relationships

MARKETS AND CUSTOMERS

In 2012 we increased our number of strategic customers and learned more about our customers' expectations and experience with NNE Pharmaplan. Our goal is to be better at understanding how our customers achieve success and thus improving our ability to meet and exceed their expectations.

General outlook

By December 2012, NNE Pharmaplan's backlog was DKK 695 million, or approximately 45 percent of 2013's engineering target turnover. The weighted value of the pipeline increased by more than 40 percent in 2012, and the combined backlog and weighted pipeline represented 18 months of work at the beginning of 2013, which is the highest ever for NNE Pharmaplan.

The order entry from strategic customers generated 70 percent of NNE Pharmplan's total sales in 2012, up slightly from 69 percent in 2011. Orders from strategic customers other than Novo Nordisk and Novozymes increased by more than DKK 200 million to DKK 539 million, representing a growth of 62 percent in 2012.

Strengthening the focus on strategic customers

Account management is all about knowing and understanding our customers – their organisations, products, technologies and markets but also their needs, ambitions and challenges. In 2012, NNE Pharmaplan increased focus on its strategic customers. This is part of the 2012-2015 business strategy and our aim to build more trust-based relationships with our customers.

The ability to support a strategic customer is a very strong asset. We support our customers with our global expertise and act as a proactive partner. And by having a global account manager for each of our strategic customers, we guarantee our customers one-point access to our global NNE Pharmaplan services.

Our long-term ambition is to increase our revenue from strategic customers by 10 percent every year, and in 2013 we will start initiatives that support building more trust-based relationships with customers. In 2012 we started the preparations by bringing the basics in order for our project execution capabilities by enhancing our global engineering model, Our Model, for project execution and strengthening our project management skills. This effort will continue in 2013 to become an integrated part of our effort to serve our customers globally.

New biotech concept

The dynamic development of the biotech sector has resulted in an increased number of biotech projects and customers around the world during the last few years, particularly in emerging markets. NNE Pharmaplan customers demand more flexible biotech facilities based on single-use technology, especially in China where we established a biotech centre of competencies in 2012.

To address the requirements for more flexible biotech facilities, NNE Pharmaplan has established a standard biotech facility concept called Bio on Demand™ which can be built on-site in the traditional way or off-site as a modular facility.

Standardised process and utility modules are combined in various ways to accommodate all the different functions in a modern biotech facility, as well as the need for flexibility and the ability to adapt to local building and GMP regulations and practices. The Bio on Demand™ concept includes the engineering and supply of a facility as well as the related quality systems, Standard Operating Procedures (SOPs) and technology transfer.

NNE Pharmaplan is applying the standard Bio on Demand™ concepts to the design of a number of new biotech facilities with both emerging players and established major US and European biotech manufacturers.

Centre of competencies for vaccines in Bangalore

In 2012 we strengthened our competences within vaccines by establishing a specialist team with cross-disciplinary knowledge related to vaccine manufacturing, biological containment, facility design and project execution. By the end of 2012, the team had five process specialists. The aim is to expand to 10-15 specialists focused exclusively on vaccine-related projects.

PEOPLE DEVELOPMENT

Boosting our competences and employee loyalty

To improve our project execution capabilities and to harmonise the way we execute projects on a global scale, NNE Pharmaplan launched a global project management training programme and initiated a knowledge exchange programme between China and Denmark.

Upgrading project management skills
Project management is of vital importance for delivering NNE Pharmaplan services to our customers' satisfaction and at the same time securing profitable projects. In order to keep improving and achieving our targets, we constantly strive to enhance our competences and skills. That is why a global programme aimed at all project managers called "Project Management Competence Upgrade" was developed during 2012.

The Project Management Competence Upgrade programme boosts our skills within project management and leadership and enhances our ability to use the NNE Pharmaplan systems and methods in our daily work. The course is mandatory for approximately 160 employees, divided into three groups: project managers, senior project managers and project directors. A few of the NNE Pharmaplan regions conducted the training at the end of 2012 and the rest will follow during 2013.

Knowledge exchange between China and Denmark
To strengthen our competences and execute global and complex projects across our business regions, a knowledge exchange programme involving 10 Chinese employees was initiated between China and Denmark. The Chinese employees will spend an average of four to six months in Denmark working on projects with their Danish colleagues. The exchange will strengthen the cooperation between Denmark and China even further.

Employee Survey – exceeding the ambassador target
Two global employee surveys were conducted in 2012 to measure the level of our employees' engagement, satisfaction and loyalty. The average response rate was 82 percent, an increase compared to 81 percent in 2011.

The employee survey KPI is defined as the number of employees who assign 9 or 10 points (on a 10-point scale) to six specific questions on loyalty and engagement. These

Employee data

Number of employees
At the end of 2012, NNE Pharmaplan had a total of 1,701 employees distributed over five regions and 12 countries. The number of employees in the Nordic region, Central Europe, China and North America remained essentially unchanged, while the number of employees in the Emerging Markets region decreased, in particular in the Russian organisation.

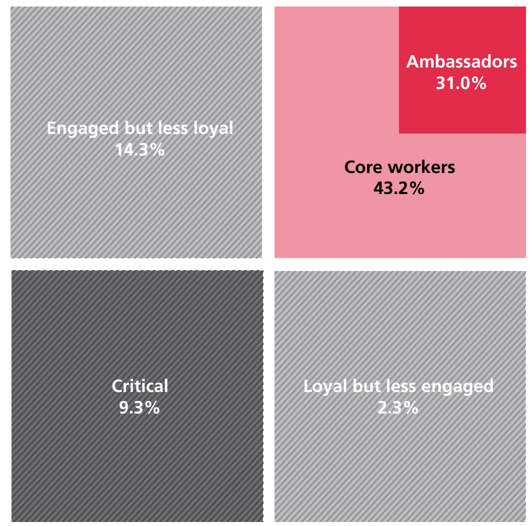
Employee turnover
NNE Pharmaplan monitors employee turnover closely, with particular focus on our identified key people. The key people turnover in 2012 was 6.2 percent, which is above the target of 5.0 percent and very unsatisfactory. The total employee turnover in 2012 was 17.3 percent, which is a slight decrease compared to 17.4 percent in 2011.

1,701 employees

Total employee turnover **17.3%**

employees are defined ambassadors and are the driving force of our company. Our 2014 target was for 30 percent or more of our people to act as ambassadors for the company. This target was already exceeded in 2012 with an average ambassador score of 30.4 percent, which is a significant increase compared to 23.3 percent in 2010 and 26.7 percent in 2011. Thus it has been decided to raise the long-term target to 35 percent.

Almost 75 percent of our people are either ambassadors or core workers (employees who assign 7 or more on the 10-point scale to questions on loyalty and engagement) and the number of critical employees has declined from 9.6 percent in Q1 2012 to 9.3 percent in Q3 2012. Compared to the scores in 2011, this is an improvement.



Employee Survey results Q3 2012.

Gender

By the end of 2012, the number of female employees remained unchanged compared to 2011, at 35 percent of NNE Pharmaplan's workforce. The gender distribution varies considerably from country to country. Three countries have a majority of female employees (Malaysia, Russia and Sweden).

The number of women in leading positions increased from 27 to 30 percent compared to 2011. NNE Pharmaplan does not support any gender or other quota schemes.

Women in leading positions 2012 **30%**

Age

The average employee age in 2012 was 39.9 which was a slight increase compared to the last two years (2011: 39.5 years; 2010: 39.6 years). The maximum inter-office difference is 16.2 years. The lowest average age is found in our office in Brazil and the highest average age in Germany and in Denmark.

Average 2012 **39.9** years

Seniority

The average employee seniority in NNE Pharmaplan was 6.6 years in 2012, a minor increase from the 2011 average of 6.2 years.

Average seniority 2012 **6.6** years

Sustainability in the NNE Pharmaplan context

NNE Pharmaplan has been a member of the UN Global Compact since 2008. In 2013 we will publish our fourth Communication on Progress (COP) report, which is a sustainability report required by our UN Global Compact membership. The COP report gives the full picture of how we integrate sustainability in our business.

Sustainability in our customer projects
NNE Pharmaplan's sustainable engineering and consulting services considerably impact our customers' environmental footprint and working conditions. We are continuously developing our sustainability services. See more at http://www.nnepharmaplan.com/en/What-we-do/.

Sustainability report
The NNE Pharmaplan COP report is published together with the Annual Report. The report describes how we integrate sustainability and the Global Compact principles (in the areas of human rights, labour, the environment and anti-corruption) in the NNE Pharmaplan context. From a sustainability perspective, our branding platform 'Engineering for a healthier world' implies concern for people and the earth in a broad sense.

Download the NNE Pharmaplan 2012 COP report at www.unglobalcompact.org or www.nnepharmaplan.com/Who-we-are/Sustainability.

Extract from the 2012 COP report

The following data on accidents at construction sites and our carbon footprint follow up on information found in previous annual reports. Measurement methods and comments on results are found in the COP report.

Safety at construction sites

The accident frequency is recorded for the NNE Pharmaplan projects where construction site health and safety management has been handled or supervised by NNE Pharmaplan. In 2012, NNE Pharmaplan managed projects in China, Belgium, Denmark, India, Switzerland and the United States.

In 2013 we will continue our focus on preventive actions by training construction workers in health and safety and involving them in initiatives to improve safety on construction sites. Members of the Community of Interest for Site Safety Management are working on a procedure to ensure that the reporting follows the same guidelines in all countries. The reporting will be handled monthly using existing systems.

Emissions in 2012

In 2012, NNE Pharmaplan was able to reduce its emissions by 15 percent compared to 2011. The major contributions to these reductions can be found in scopes 2 and 3 – purchased electricity and transport by plane (in the figure next page). The reduction in transport by plane is mainly due to the implementation of Lync (instant messaging and collaborative software) during 2012 that makes it easier to conduct virtual meetings across borders.

ACCIDENTS RECORDED ON CONSTRUCTION SITES IN 2012 (NNE PHARMAPLAN EMPLOYEES AND CONTRACTORS)

Country	No. of sites	Working hours (1000)	Accidents w/absence	Frequency (no. of accidents per million worked hours)
China	5	1,075	0	0.0
Belgium	1	29	2	15.6
Denmark	9	103	5	22.6
India	12	388	0	0.0
Switzerland	1	116	5	43.1
USA	16	32	0	0.0
Total	41	1,637	12	7.3

In Belgium, Denmark and Switzerland the number of working hours is relatively low. One or two accidents therefore cause a high impact on the frequency.
The frequency in Denmark and Switzerland seems high compared to the other countries but when compared to general statistics in the two countries NNE Pharmaplan is below average.

GREENHOUSE GAS EMISSIONS (TCO_2)*	2012	2011	2010	2009
DIRECT EMISSIONS (SCOPE 1)				
Heating of office buildings	323	363	325	335
Fugitive emissions from cooling plant	5	3	4	8
Transport in company-owned cars	582	532	1,044	674
INDIRECT EMISSIONS (SCOPE 2)				
Purchased electricity	1,315	1,731	1,752	1,472
Purchased heating	46	58	66	N/A
Purchased cooling	1	2	2	5
INDIRECT EMISSIONS (SCOPE 3)				
Transport in employee-owned cars	566	550	554	626
Transport by plane	4,337	5,191	4,715 **	2,672
TOTAL GREENHOUSE GAS EMISSIONS (TCO_2)	7,138	8,430	8,462	5,792

** tCO_2 refers to tonnes of CO_2 equivalence*
*** In 2010 we obtained more complete data on air travel from our offices in China and the USA, which nearly doubled the air travel emissions. Consequently, this figure may be regarded as the new baseline value.*

Travel activities are the main source of our greenhouse gas emissions – in company-owned cars, employee-owned cars or by airplane. These activities account for 69 percent of total emissions. Flights from Denmark and the United States account for approximately 40 percent of the travel-related emissions.

Data was incomplete regarding the electricity consumed at our small offices in the United States and for the heating, ventilation and air conditioning (HVAC) of offices in the United States, Sweden, Russia and China, as well as the small office in Hillerød, Denmark – this is mainly due to the nature of the tenancy arrangements at these sites, in particular where the HVAC equipment is owned by a landlord. During 2012 offices were opened in Belgium and Brazil and no figures for these sites are included in the report since it was not possible to obtain the amounts for a full year.


RECEPTION

CASE STORY

Uniting cutting-edge research and highest quality patient care

In 2013, the first turf will be turned for an ambitious new hospital in Aalborg, Denmark. The Aalborg University Hospital, as it is named, is built upon high visionary and technical ambitions and unites clinics, research, development, education and innovation in one new “super” hospital.

Reforming health care in Denmark
The project is part of an overall quality reform in the health care system in Denmark. Introduced by the Danish government in 2007, the quality reform includes a quality fund of DKK 40 billion (approximately EUR 5.4 billion) for investments into new hospitals unifying highly specialised treatment, acute patient admission, single room-facilities, etc. A total of DKK 4.1 billion has been allocated for the new Aalborg University Hospital.

The new hospital is strategically located near the Aalborg University and the University College North Jutland. One of the success criteria for the new hospital is that university facilities become an integral part of the hospital, which will also comprise research facilities and teaching rooms. Also, the new hospital will combine all hospital functions in Aalborg, which are currently spread across ten locations, at one site for both basic and specialised treatment. The hospital is scheduled to be operational by 2019-2020 with capacity for 59,400 admissions, 370,000 outpatient consultations and 30,300 operations annually.

A strong partnership
In September 2011, a design competition for the new hospital was issued. In June 2012, Consortium Indigo was announced as winner after a thorough selection process. Consortium Indigo comprises Århus Arkitekterne A/S, Creo Arkitekter A/S, Schmidt Hammer Lassen Architects K/S, Royal Haskoning, Oluf Jørgensen A/S, Brix & Kamp A/S and NNE Pharmaplan.

NNE Pharmaplan’s role includes overall project management. In addition, we provide services within specification of medical equipment, goods logistics, pneumatic tube systems and AGV transport systems as well as all technical installations such as ventilation, HVAC, BMS, heavy and low voltage.

From pharma to healthcare
The project is not only significant in the context of reforming the Danish health care sector. It is also significant in NNE Pharmaplan’s development. Our know-how from pharmaceutical and biotech environments can be brought to excellent use in the facility design and engineering of hospitals and laboratories.

The win of Aalborg New University Hospital is a significant milestone in putting NNE Pharmaplan on the Danish healthcare map.

ENTERPRISE RISK MANAGEMENT

In 2012, NNE Pharmaplan continued its dynamic approach to risk assessment. The increasing turnover from our 18 global strategic customers required an assessment of the associated risks. NNE Pharmaplan Management, which reports to the Board of Directors, is responsible for maintaining and monitoring the systematic process of continuous risk assessment.

Enterprise risk management structure

At NNE Pharmaplan, we asses short term risks on a monthly basis with focus on project and business risks. Long-term risks are assessed once a year, when we conduct a formal review and evaluation of the potential risks to meet our long-term business objectives. We identify the major risks to NNE Pharmaplan by considering both the regional risk assessments and a general view on the outlook for the life science engineering market. The identified risks are assessed by likelihood of the event as well as the potential impact on our business at a three-year horizon. NNE Pharmaplan Management, chaired by the CEO, evaluates and agrees on mitigating actions for the identified key risks at a meeting held annually in the fourth quarter. Our main risks include customers, financials, business processes, and people and organisation.

Global competitiveness

In 2012, our share of turnover from strategic customers increased further and we will continue this growth with strategic customers as part of our initiatives to build more trust-based customer relationships. It increases the predictability of our order book and provides opportunities for close dialogues with our customers.

The high growth in China attracts a number of international companies, including engineering companies, and intensifies competition. There is a focus on the pharma and biotech industry and this strategic position supports NNE Pharmaplan's position in the Chinese market.

Business processes

NNE Pharmaplan specialises in designing, establishing and improving technologically advanced facilities for our customers. Such projects require an excellent understanding of customer needs, successful contract management and well-structured project management. Several mandatory corporate engineering and consulting methods and tools ensure streamlined, lean and efficient project execution globally. Governance structure including risk assessment is established for major projects in the proposal process, and maintained through project Steering Committees during project execution. Moreover, an executive project portfolio committee evaluates global project portfolio risks at a monthly basis. A global project management competence upgrade programme was kick-started at the end of 2012 and will continue in 2013 to enhance our global project management competences. During 2012 we found it necessary to improve our Quality Management System (QMS). The QMS upgrade that will be launched in the first quarter of 2013 will provide enhanced risk mitigation going forward. Project risks are monitored on a monthly basis. The new finance model, launched in 2011, delivered consistent and transparent financial project evaluations across the group throughout 2012.

Financials

The global recession continues to impact investments around the world. China's extended economic boom is currently affected by the global recession and this is making us more vulnerable in the region. NNE Pharmaplan has increased and broadened its customer portfolio in China and thereby has reduced its vulnerability. The global reach of NNE Pharmaplan results in enhanced requirements for projects to include cash planning through all phases. And it requires a well-established finance process to support the assessment of a customer's credit rating and ensure sufficient cash management in the group at any and all times.

Business ethics

At NNE Pharmaplan, we conduct our business according to high ethical standards, living our values and protecting the reputation of our company in order to maintain and grow our business. In 2012, we updated the business ethics requirements for all employees in the global NNE Pharmaplan organisation by introducing an annual, mandatory e-learning programme concerning our business ethics policy and guidelines. To reduce the risk of NNE Pharmaplan employees violating business ethics or laws and regulations, all new employees are required to complete the business ethics e-learning programme shortly after joining the company.

People and organisation

Our position in the complex field of pharma and biotech, combined with global competition, adds to our customers' requirements regarding the level of competence and experience of our resources. It is therefore essential that we retain and develop the right number of key people with the right skills. Our focus on development and training programmes for key employees, as well as the ability to transfer resources across regions, is our main lever to sustain and build our competitiveness.

CORPORATE GOVERNANCE

NNE Pharmaplan is managed according to the guidelines and commitments laid out in 'From now on - the Essentials of our culture', which includes six fundamental principles that all NNE Pharmaplan employees follow. The Essentials are supplemented by our business ethics, our quality management system and our triple bottom line commitment to continuously improve our financial, environmental and social performance. As a member of the UN Global Compact, NNE Pharmaplan is also committed to ten universally accepted principles regarding human rights, labour (people), the environment and anti-corruption.

Ownership

NNE Pharmaplan complies with the same principles of corporate governance as our parent company, Novo Nordisk A/S. Because NNE Pharmaplan A/S is 100 percent owned by Novo Nordisk A/S, we are included in the consolidated financial statement of Novo Nordisk A/S[1]. Our ultimate parent company is the Novo Nordisk Foundation[2].

Reporting

NNE Pharmaplan's consolidated financial statements are prepared according to International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional disclosures required by the Danish Financial Statements Act. They are published in both Danish and English. The financial year covers the period from 1 January to 31 December. NNE Pharmaplan is not obliged to publish interim reports and does not do so at present.

Board of Directors

NNE Pharmaplan's Board of Directors is elected every year at the Annual General Meeting. The number of Board members was reduced from eight to seven people at the Annual General Meeting in March 2012. The seven members are made up of two representatives from the parent company, two external members and three employees elected by NNE Pharmaplan employees for a term of four years. At the Annual General Meeting on 4 April 2013 the number of Board members will be further reduced to six as the number of employee-elected members will be reduced to two. All members contribute valuable knowledge and experience in areas such as finance, legislation, pharmaceutical production, the biotech industry and the management of professional service companies. Profiles of the individual members can be found in the 'Board of Directors' section of this report.

The Board of Directors meets at least four times a year. The procedures followed by the Board of Directors are to be reviewed at least once every third year and were last updated in March 2012. The NNE Pharmaplan Management is represented at the Board meetings by the CEO and the CFO.

A monthly report delivered by the NNE Pharmaplan Management keeps the Board of Directors abreast of the company's development and performance.

Remuneration

External and employee-elected Board members receive a fixed fee under the NNE Pharmaplan remuneration policy. All NNE Pharmaplan Management members receive a fixed salary, a cash bonus, a pension contribution and a share-based payment. Any changes to the remuneration policy or share-based programmes must be approved by the Board of Directors. The 2012 total remuneration is presented in a note to the consolidated Financial Statements.

Risk management

In order to systematically assess risk in our company, clear reporting lines from the organisation to the NNE Pharmaplan Management and the Board of Directors have been defined. Key risks are identified and assessed on a three-year time scale. NNE Pharmaplan responds to changing market dynamics and defines the necessary mitigating actions that are essential to running a successful and sustainable business. More information is available in the Enterprise Risk Management section.

Audit

At the 2012 Annual General Meeting, PricewaterhouseCoopers was re-elected as NNE Pharmaplan's auditor, based on the recommendation of the Board of Directors. The auditor participates in the Board meeting at which the Annual Report is presented and approved, and where the group audit plan for the year is presented and discussed. Furthermore, the auditor participates in the Board meeting where the auditor's interim long-form report is presented.

Organisation

The NNE Pharmaplan Management is based at our head office in Gentofte, Denmark, except for three (out of five) regional managers who are based in China, Switzerland and the United States. The Danish office also houses our group functions, including Finance, Legal & IT, Project Governance, Global Sales and Business Development, and People & Communication. Profiles of the NNE Pharmaplan Management can be found in the NNE Pharmaplan Management section of this report.

[1] To obtain a copy of The Annual Report of Novo Nordisk A/S, contact Novo Nordisk A/S, Novo Allé, DK-2880 Bagsværd, Denmark or see www.novonordisk.com

[2] The Novo Nordisk Foundation, Tuborg Havnevej 19, DK-2900 Hellerup, Denmark.

1/ Morten Nielsen
2/ Søren Jelert
3/ Iben Schmidt Helbirk
4/ Kim Rasmussen
5/ Gert Mølgaard
6/ Morten Holm Christiansen
7/ Stefan Berg
8/ Kristian Pedersen
9/ Ole Spang-Hanssen
10/ Ole Regnar Hansen
11/ Bob Brown Petersen

NNE Pharmaplan Management

MORTEN NIELSEN
CEO and President

Morten Nielsen was appointed CEO and President of NNE Pharmaplan on 1 January 2011. He joined NNE Pharmaplan in 1994 and has held several managerial and executive positions in project and line management, latest as Chief Operating Officer for NNE Pharmaplan's global operations from 2006 to 2011. For an interim period of three years, Morten Nielsen was employed by Novo Nordisk, working as a project director in Brazil. Morten Nielsen holds a Bachelor of Science in Engineering from the Copenhagen University College of Engineering.

SØREN JELERT
CFO and Executive Vice President

Søren Jelert was appointed Executive Vice President for NNE Pharmaplan on 1 January 2011. Prior to that he was Chief Financial Officer and Corporate Vice President for Finance, Legal and IT in the period 2008-2011. Søren Jelert comes from a position at Novo Nordisk as Director of Operations and Finance, Europe North in the UK. He joined the Novo Nordisk Group in 2000, where he has held a number of executive positions. He has also worked as Business Controller for Maersk Oil. Søren Jelert holds a Master of Science in Economics and Business Administration from Copenhagen Business School (CBS).

IBEN SCHMIDT HELBIRK
COS and Corporate Vice President,
People and Communication

Iben Schmidt Helbirk was appointed Chief of Staff (COS) and Corporate Vice President of People and Communication at NNE Pharmaplan in 2009. Prior to her appointment she held the position as Manager of HR Development since 2007. Iben Schmidt Helbirk comes from Novo Nordisk, where she was employed as HR Business Partner. Before joining the Novo Nordisk Group in 2003, she worked with IBM Business Consulting Services and PWC Consulting as a management consultant. Iben Schmidt Helbirk holds a Master's degree in International Marketing and Management from Copenhagen Business School (CBS).

KIM RASMUSSEN
Regional Manager and Corporate Vice President,
Nordic

Kim Rasmussen was appointed Regional Manager of the Nordic region and Corporate Vice President in 2011. He joined NNE Pharmaplan from previous positions at Rockwell Automation, Medtronic and VKR Holding, where he held senior management positions in Denmark, the United States and China. Kim Rasmussen holds a BSc in Mechanical Engineering from the University of Southern Denmark.

GERT MØLGAARD
Corporate Vice President, Strategic Development

Gert Mølgaard was appointed Corporate Vice President for Strategic Development on 1 January 2011. Prior to that, he was in charge of Automation, Process Engineering and other business areas. He joined the Novo Nordisk Group in 1982. Over the years, Gert Mølgaard has contributed extensively to international pharmaceutical associations, including a position as the global chair of ISPE (International Society of Pharmaceutical Engineering). Gert Mølgaard holds an MSc in Electrical Engineering from the Technical University of Denmark.

MORTEN HOLM CHRISTIANSEN
Corporate Vice President,
Sales and Business Development

Morten Holm Christiansen was appointed Chief Sales Officer and Corporate Vice President for Global Sales and Business Development in 2011. Furthermore, he served as Chief Financial Officer (CFO) of NNE Pharmaplan from 2003 to 2005. Morten Holm Christiansen comes from a position at Novo Nordisk as Vice President of Global IT Operations. He joined the Novo Nordisk Group in 1994, where he held a number of executive positions. Prior to that, he worked as a senior consultant in Accenture. Morten Holm Christiansen holds an MSc in Economics from the University of Aarhus and an MBA from IMD.

STEFAN BERG
Regional Manager and Corporate Vice President,
Central Europe

Stefan Berg was appointed Regional Manager of Central Europe and Corporate Vice President in 2011. He also holds the position of General Manager (Geschäftsführer) of NNE Pharmaplan in Switzerland and Germany. Before joining NNE Pharmaplan in 2004, Stefan Berg held various project and line management positions within the pharmaceutical engineering business in Switzerland and Germany. Stefan Berg holds an MSc in Automation Technology.

BOB BROWN PETERSEN
Regional Manager and Corporate Vice President,
North America

Bob Brown Petersen was appointed Regional Manager and Corporate Vice President for North America in 2011. In the period of 2007-2010, he held positions as Vice President and Project Director of NNE Pharmaplan's Nordic region. He joined the Novo Nordisk Group in 1998, where he has held managerial positions both in project and line management. Bob Brown Petersen holds a BSc in Mechanical Engineering from the University College of Engineering in Haslev and attended the INSEAD International Executive Program.

OLE SPANG-HANSSEN
Regional Manager and Corporate Vice President,
Emerging Markets

Ole Spang-Hanssen was appointed Regional Manager of the Emerging Markets region and Corporate Vice President in 2011. He joined NNE Pharmaplan in 2004, where he has held various managerial positions, primarily as Vice President of Global Sales & Marketing. Prior to that, he worked for Hoffmann & Sønner, the Confederation of Danish Industries and AN GROUP. During his career, Ole Spang-Hanssen has spent several short and long-term expatriation periods around the world. Ole Spang-Hanssen graduated from Copenhagen Business College and has attended courses at INSEAD and Chicago University.

OLE REGNAR HANSEN
Corporate Vice President, Project Governance

Ole Regnar Hansen was appointed Corporate Vice President for Project Governance on 1 January 2011. He joined NNE Pharmaplan in 1999 and has held several managerial positions in both project and line management, including the project directorship of NNE Pharmaplan's largest project ever. Ole Regnar Hansen has been with the Novo Nordisk Group for 29 years and before joining NNE Pharmaplan held various managerial positions at Novozymes. Ole Regnar Hansen holds a Bachelor's degree in Mechanical Engineering from the Technical University of Denmark.

KRISTIAN PEDERSEN
Regional Manager and Corporate Vice President,
China

Kristian Pedersen was appointed Regional Manager of the China region and Corporate Vice President in 2011. In 2004 he became General Manager of NNE Pharmaplan in China, where he has worked in project management since 1998. Kristian Pedersen joined NNE Pharmaplan in 1996 and has held several positions in both project and line management. Kristian Pedersen holds a Bachelor's degree in Electrical Engineering from the Copenhagen University College of Engineering and is an alumnus at Harvard Business School after he attended the Executive General Manager Program in 2008.

1/ Birgit W. Nørgaard
2/ Lars Fruergaard Jørgensen
3/ Bjarne Axelsen
4/ Helene Moth-Poulsen
5/ Jens Olesen
6/ Hans Öström
7/ Per Valstorp

Board of Directors

BIRGIT W. NØRGAARD
Chairman of the NNE Pharmaplan Board since 2012

Birgit Nørgaard works as a full-time Board member. She was CEO of the consulting engineering company Grontmij | Carl Bro A/S and COO of Grontmij NV from 2006 to 2010, CEO of the Carl Bro Group from 2003 to 2006 and CFO from 2001 to 2003. Prior to that, Birgit Nørgaard held executive positions at TDC and Danisco and worked as a consultant at McKinsey & Company. Birgit Nørgaard holds an MSc in Economics and Business Administration from the Copenhagen Business School (CBS) in Denmark and an MBA from INSEAD.

Other board memberships:
- DSV A/S
- Sonion A/S and related companies
- Xilco A/S, Xilco Holding A/S
- Abeo A/S
- Lindab International AB (Sweden)
- IMI Plc (UK)
- GEO
- The Stakeholder Council for Energinet.dk (Chairman)
- StockRate Invest (Chairman)
- E. Pihl & Søn A/S (Chairman)
- The Danish State's IT Project Council (Vice Chairman)
- The Danish Growth Capital Fund
- EUDP

LARS FRUERGAARD JØRGENSEN
Vice Chairman of the NNE Pharmaplan Board since 2012

Lars F. Jørgensen is Executive Vice President of IT, Quality and Corporate Development at Novo Nordisk A/S. He joined Novo Nordisk in 1991, where he has held a number of positions including Senior Vice President, Vice President, Regional Finance & IT, Region Japan & Oceania and Director, Financial Accounting, Corporate Finance. Lars F. Jørgensen holds an MSc in Business Administration from the Aarhus School of Business.

Other board memberships:
- NNIT A/S
- Harno Invest A/S (chairman)
- Innate Pharma S.A., France

BJARNE AXELSEN
Employee-elected representative of the NNE Pharmaplan Board since 2012

Bjarne Axelsen is currently a Project Quality Manager. Prior to this he was Manager of Quality and Validation, NNE Pharmaplan North America. Bjarne joined Novo Nordisk's Enzyme Business in 1996 as Manager of Quality, GLP and GMP. He came from a position as Certification Manager at Danish Standards. In 2001 he joined NNE Pharmaplan. Bjarne holds a Bachelor degree in Structural and Civil engineering from University College Horsens and a Bachelor degree in Finance from Academy of Commerce Elsinore.

HELENE MOTH-POULSEN
Employee-elected representative of the NNE Pharmaplan Board since 2009

Helene Moth-Poulsen is Project Portfolio Manager for Industrial Biotech in Region Nordic. She joined NNE Pharmaplan in 1999 and has worked as Senior Project Manager, where she managed interdisciplinary projects in the pharma and biotech industries, as Global Proposal Manager and now as Project Portfolio Manager. She holds an MSc in Electrical Engineering from the Technical University of Denmark (DTU), a Diploma of Engineering Business Administration from the Copenhagen University College of Engineering and an IPMA B certification as Senior Project Manager.

JENS OLESEN
Employee-elected representative of the NNE Pharmaplan Board since 2009

Jens Olesen is General Manager of the Pharma & Biotech Business Unit since 2012. Prior to this, Jens Olesen worked as Manager and as Project Manager within the mechanical and process disciplines. He joined NNE Pharmaplan in 2002 from a position as Department Manager at LEO Pharma A/S. He holds an MSc in Chemical Engineering from the Technical University of Denmark (DTU) and became a certified Project Manager IPMA level B in 2007.

HANS ÖRSTRÖM
Member of the NNE Pharmaplan Board since 2006

Hans Örström is CEO at IDL Biotech AB, a position he has held since 2011. He started his career in sales and marketing at Kabi in 1979, and later moved on to Pharmacia, where one of his positions was head of its Dutch subsidiary. He was appointed Head of Plasma Products at Pharmacia in 1992. In 2010, he retired as Executive Vice President of Commercial Operations and Corporate Development at Biovitrum, where he had worked since 2001. Hans Örström holds a BSc in Economics and Business Administration from the Gothenburg School of Economics.

Other board memberships:
- IDL Biotech AB

PER VALSTORP
Member of the NNE Pharmaplan Board since 2000

Per Valstorp is the Senior Vice President of Product Supply at Novo Nordisk A/S. He has been with Novo Nordisk since 1987 and has held a number of senior positions in the company, including Senior Vice President of the Medical Systems Division and Senior Vice President for Health Care Quality and Regulatory Affairs. Prior to joining Novo Nordisk, Per Valstorp was employed at KPMG as Director of Management Consultants. He holds an MSc in Operational Research and Planning from the Technical University of Denmark.

Other board memberships:
- NNIT A/S
- DBI Plastics A/S
- EUDP
- Zymenex A/S
- Mejerigaarden A/S

FINANCIAL REPORTS
Consolidated financial statements

FINANCIAL REVIEW 2012

Turnover and operating performance

In 2012, NNE Pharmaplan had a total turnover of DKK 1,673 million, which is an increase of DKK 169 million or 11.2 percent compared to 2011.

The growth in turnover was largely driven out of the Nordic region and large international projects entailed that business outside Denmark has increased from 58 percent to 61 percent in 2012 for the group as a whole. Turnover generated from customers outside the Novo Nordisk Group equals 62 percent which is the same share of total turnover as in 2011.

The operating profit in 2012 was DKK 66 million (2011: DKK 22 million), which corresponds to an operating profit margin of 3.9 percent (2011: 1.5 percent).

The principal reasons for the satisfactory result were the result of high resource utilisation and improved project execution.

Net financials and tax

Net financials showed a loss of DKK 16 million in 2012 (2011: Loss of DKK 6 million). Compared to 2011 the net financials were negatively impacted by higher unrealised and realised loss on provisions (share-based payments) amounting to DKK 9 million.

Total tax for the year was an expense of DKK 14 million (2011: Expense of DKK 15 million). The income taxes for the year were negatively impacted by non-deductible withholding tax on dividend of DKK 2.8 million and positively impacted by net amount of recognised tax losses carry forward related to this year and prior years of DKK 2.1 million.

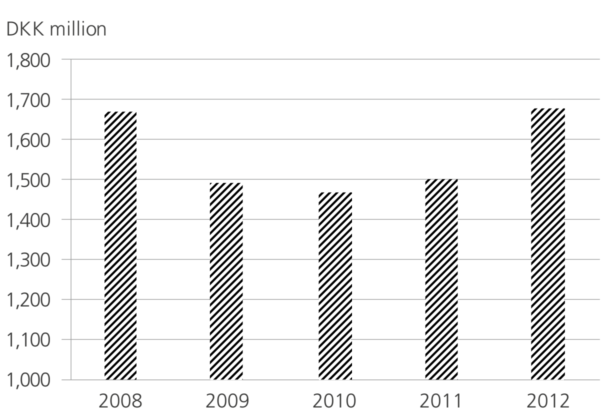
Net profit

The net profit was DKK 35 million, an increase of DKK 34 million compared to 2011. This is due to an increase in operating profit of DKK 43 million, an increase in net financial expenses of DKK 10 million and a decrease in income taxes of DKK 1 million.

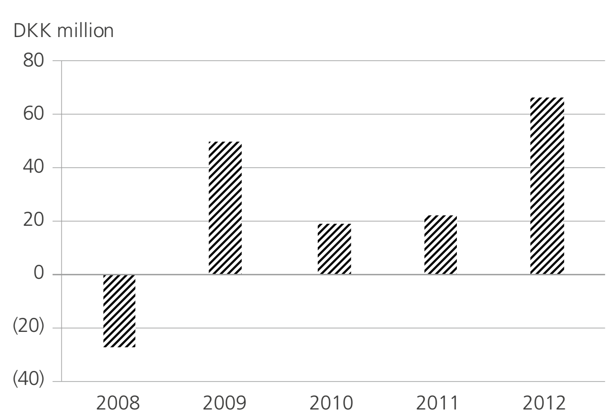
Balance sheet

The total assets as at 31 December 2012 amounted to DKK 707 million, an increase of DKK 1 million compared to 2011. The trade receivables and receivables from related parties decreased in 2012 by DKK 13 million to DKK 283 million and are mainly explained by faster payments from the customers. The credit period decreased by 5 days to 60 days.

TURNOVER



OPERATING PROFIT



Fixed-price projects as well as current account projects increased the work in progress by DKK 4 million and payment on account for work in progress increased by DKK 19 million (net DKK 15 million). The period before invoicing work in progress decreased to 8 days (2011: 12 days).

The total liabilities has decreased by DKK 7 million to DKK 551 million in 2012, primarily explained by a decrease in short term borrowings of DKK 54 million and a decrease in trade payables of DKK 23 million. This is countered by an increase in retirement benefit obligations of DKK 27 million, payments on account for work in progress of DKK 19 million and other liabilities of DKK 16 million.

NNE Pharmaplan has early adopted IAS 19R, 'Employee benefits' which implies that from 2012 and going forward remeasurements will be posted on other comprehensive income as they occur instead of deferring the recognition. This has resulted in a posting on other comprehensive income in 2012 of DKK -22 million.

The 2012 equity increased by DKK 8 million to DKK 156 million. The increase in the equity is primarily explained by the net profit for the year DKK 35 million, remeasurements on defined benefit plans DKK -22 million and re-measuring of available for sale financial assets DKK -7 million. The solvency ratio was 22.1 percent (2011: 21.0 percent) by the end of December 2012.

Cash flow

The net change in cash and cash equivalents in 2012 is DKK 49 million (2011: DKK 25 million). Compared to 2011 this is a significant change mainly caused by an improved cash flow from operating activities, faster payments from the customers, decreased work in progress and higher other payables. On the other hand change in trade payables, taxes paid and repayment of loan from Novo Nordisk influenced the cash flow negatively.

Proposed dividend

The Board of Directors proposes no dividend for the year (2011: DKK 0 million). This proposal will be submitted for adoption by the Annual General Meeting.

Post-balance-sheet events

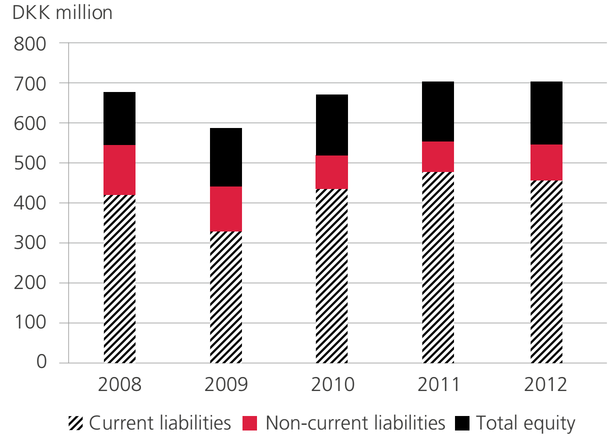
No events have occurred after the end of the financial year with significant impact on the Company's financial position at 31 December 2012.

ASSETS

DKK million

EQUITY AND LIABILITIES

DKK million



FINANCIAL HIGHLIGHTS AND RATIOS FOR NNE PHARMAPLAN GROUP

Financial Highlights (DKK 1,000)

	2012	2011	2010	2009	2008
Income Statement					
Turnover	1,673,452	1,504,273	1,466,356	1,487,651	1,667,608
Operating profit	65,688	22,334	18,467	49,680	(26,871)
Net financials	(15,985)	(5,891)	(11,076)	(16,321)	7,308
Profit/(loss) before income taxes	49,703	16,443	7,391	33,359	(19,563)
Net profit/(loss)	35,294	1,139	5,529	19,072	(32,091)
Proposed dividend to shareholders	-	-	-	-	-
Assets					
Non-current assets	154,905	156,554	163,362	162,605	178,809
Current assets	552,032	549,218	508,024	426,253	500,496
Total assets	706,937	705,772	671,386	588,858	679,305
Capital expenditure net	(426)	10,932	4,518	5,272	14,248
Equity and liabilities					
Equity	156,352	147,948	146,643	140,921	128,421
Non-current liabilities	93,238	76,702	87,959	118,846	128,760
Current liabilities	457,347	481,122	436,784	329,091	422,124
Total equity and liabilities	706,937	705,772	671,386	588,858	679,305
Cash flow statement					
Cash flow from operating activities	85,566	53,527	208	104,941	39,461
Cash flow from investing activities	426	(10,932)	(4,518)	(5,272)	18,712
Cash flow from financing activities	(36,763)	(17,693)	(38,807)	(29,793)	(14,279)
Net change in cash and cash equivalents	49,229	24,902	(43,117)	69,876	43,894
Financial ratios					
Operating profit margin (EBIT margin)	3.9%	1.5%	1.3%	3.3%	(1.6)%
Profit margin before-tax	3.0%	1.1%	0.5%	2.2%	(1.2)%
Return on equity	23.2%	0.8%	3.8%	14.2%	(20.2)%
Solvency ratio	22.1%	21.0%	21.8%	23.9%	18.9%
Payout ratio	-	-	-	-	-
Dividend per share (DKK)	-	-	-	-	-
Number of employees at end of year (FTE)	1,659	1,668	1,649	1,579	1,524
Number of internal consultants at end of year	209	203	172	144	252
Number of employees and internal consultants	1,868	1,871	1,821	1,723	1,776

CONSOLIDATED – INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

CONSOLIDATED – INCOME STATEMENT

(DKK 1,000)

	Note	2012	2011
Turnover	2	1,673,452	1,504,273
Cost of projects	3,4	(1,405,510)	(1,294,099)
Gross profit		**267,942**	**210,174**
Sales and distribution costs	3,4	(75,587)	(63,788)
Administrative costs	3,4	(126,667)	(124,052)
Operating profit		**65,688**	**22,334**
Financial income	5	6,840	3,696
Financial expenses	6	(22,825)	(9,587)
Profit before income taxes		**49,703**	**16,443**
Income taxes	7	(14,409)	(15,304)
Net profit for the year		**35,294**	**1,139**

CONSOLIDATED – STATEMENT OF COMPREHENSIVE INCOME

	2012	2011
Net profit for the year	**35,294**	**1,139**
Items that will not be reclassified subsequently to the Income statement:		
Remeasurements on defined benefit plans	(22,305)	-
Gains on revaluation of Land and buildings	(1,516)	1,516
Income tax relating to items that will not be reclassified subsequently	3,466	(303)
Currency adjustment	(4)	-
Items that will be reclassified subsequently to the Income statement, when specific conditions are met:		
Exchange rate adjustment of investments in subsidiaries	161	234
Remeasuring of available for sale financial assets	(6,692)	(1,281)
Other comprehensive income for the year, net of tax	**(26,890)**	**166**
Total comprehensive income for the year	**8,404**	**1,305**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2012	2011
Assets			
Intangible assets	8, 9	74,100	79,065
Property, plant and equipment	10	17,246	22,567
Investments	11	8,562	15,199
Deferred income tax assets	17	53,624	38,801
Other financial assets		1,373	922
Total non-current assets		**154,905**	**156,554**
Work in progress	12	125,324	120,928
Trade receivables	13	188,578	189,764
Receivables from related parties	23	94,096	105,503
Tax receivables	18	3,381	3,224
Other receivables and prepayments	14	34,227	46,855
Cash at bank and on hand		106,426	82,944
Total current assets		**552,032**	**549,218**
Total assets		**706,937**	**705,772**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2012	2011
Equity and liabilities			
Share capital	15	500	500
Retained earnings		154,200	135,293
Other reserves		1,652	12,155
Total equity		**156,352**	**147,948**
Deferred income tax liabilities	17	2,734	4,114
Retirement benefit obligations	20	75,146	48,421
Provisions	19	15,358	24,167
Total non-current liabilities		**93,238**	**76,702**
Payments on account for work in progress	12	84,742	65,948
Trade payables		39,816	63,036
Short term borrowing		2,867	28,869
Short term borrowing from related parties	23	-	28,098
Payables to related parties	23	3,888	4,815
Tax payables	18	10,519	5,339
Other liabilities	16	287,425	271,791
Provisions	19	28,090	13,226
Total current liabilities		**457,347**	**481,122**
Total liabilities		**550,585**	**557,824**
Total equity and liabilities		**706,937**	**705,772**
Commitments and contingencies	21		
Other notes	22-28		

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2012	2011
Operating activities			
Operating profit		**65,688**	**22,334**
Reversals with no effect on cash flow	25	29,065	9,868
(Increase)/decr. in trade receivables, work in progress and prepayments etc		39,663	(20,713)
Increase/(decr.) in trade payables and other payables etc		(10,578)	58,304
Cash flow from operating activities before financials		**123,838**	**69,793**
Financial income		6,840	3,696
Financial expenses		(22,825)	(9,587)
Cash flow from operating activities before tax		**107,853**	**63,902**
Income taxes paid	7	(22,287)	(10,375)
Cash flow from operating activities		**85,566**	**53,527**
Investments			
Purchase of intangible and tangible assets (net)*		426	(10,932)
Cash flow from investing activities		**426**	**(10,932)**
Financing			
Share-based payments		(8,566)	(17,693)
Repayment of loan to Novo Nordisk A/S		(28,197)	-
Cash flow from financing activities		**(36,763)**	**(17,693)**
Net change in cash and cash equivalents		**49,229**	**24,902**
Cash and cash equivalents at the beginning of the year		54,074	27,608
Unrealised gain/(loss) on exchange rate on cash and cash equivalents		256	1,564
Cash and cash equivalents at the end of the year		**103,559**	**54,074**
Net cash and cash equivalents at the end of the year:			
Cash at bank and on hand		74,788	63,361
Short term borrowing		(2,867)	(28,869)
Cash Pool	24	31,638	19,582
Cash and cash equivalents at the end of the year		**103,559**	**54,074**
Maximum drawing facility, including Cash Pool arrangement with the Novo Nordisk Group		103,945	99,529
Financial resources at the end of the year		**207,504**	**153,603**

*Net amount: Include sale of apartment in Russia

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

			Other reserves		
2012	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Exchange rate adjustments etc**	**Total**
Balance at the beginning of the year	500	135,293	4,177	7,978	147,948
Profit for the period	-	35,294	-	-	35,294
Other comprehensive income	-	(19,142)	-	(7,748)	(26,890)
Total comprehensive income	**-**	**16,152**	**-**	**(7,748)**	**8,404**
Transactions with owners, recognised directly in equity:					
Dividend	-	-	-	-	-
Options exercised	-	2,755	(2,755)	-	-
Balance at the end of the year	**500**	**154,200**	**1,422**	**230**	**156,352**

			Other reserves		
2011	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Exchange rate adjustments etc**	**Total**
Balance at the beginning of the year	500	132,720	5,611	7,812	146,643
Profit for the period	-	1,139	-		1,139
Other comprehensive income	-	-	-	166	166
Total comprehensive income	**-**	**1,139**	**-**	**166**	**1,305**
Transactions with owners, recognised directly in equity:					
Dividend	-	-	-	-	-
Options exercised	-	1,434	(1,434)	-	-
Balance at the end of the year	**500**	**135,293**	**4,177**	**7,978**	**147,948**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 GROUP ACCOUNTING POLICIES

Basis of preparation
The Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and additional Danish disclosure requirements.

The Financial statements of the Parent Company, NNE Pharmaplan A/S, as presented on page 84-93, have been prepared in accordance with The Danish Financial Statements Act.

The Consolidated financial statements have been prepared on the historical cost basis except for the revaluation of available-for-sale financial assets measured at fair value through Other comprehensive income.

Key accounting estimates and assumptions
The use of reasonable estimates is an essential part of the preparation of Consolidated financial statements. Given the uncertainties inherent in our business activities, Management must make certain estimates and judgements that affect the application of accounting policies and reported amounts of assets, liabilities, sales, costs, cash flow and related disclosures at the date(s) of the Consolidated financial statements.

Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis and, if necessary, changes are recognised in the period in which the estimate is revised. Management considers the carrying amounts recognised in relation to the below mentioned key accounting estimates to be reasonable and appropriate based on currently available information. However, the actual amounts may differ from the amounts estimated as more detailed information becomes available.

Management regards the following to be the key accounting estimates and assumptions used in the preparation of its Consolidated financial statements.

Revenue recognition – percentage-of-completion of contracts
Revenue on long-term fixed-price contracts is recognised in accordance with the percentage-of-completion of each contract. The percentage-of-completion of fixed-price contracts is based on the technical progress of each contract and supplemented and verified by using the economical percentage-of-completion which is calculated as the proportion of costs paid to date compared to the expected revaluated total costs. The carrying amount of work in progress at 31 December 2012 is DKK 40.6 million (2011: DKK 55.0 million). Please refer to note 12 for further details and the financial effect.

Warranties
As part of normal business NNE Pharmaplan issues 1-5 years' warranties on certain services and thus has an obligation to rectify or replace services that are not satisfactory according to the wording of the contract. Depending on the mix and volume of services provided the warranty provision may fluctuate from year to year.

Provisions are made for warranties based on Management's best estimate of the percentage of the notional value of the project including historical experience. This percentage may differ according to specific projects, provided the project management can show that the risk element is likely to increase due to extraordinary circumstances.
The carrying amount of warranties at 31 December 2012 is DKK 1.1 million (2011: DKK 2.6 million). Please refer to note 19 for further details and the financial effect.

Impairment of goodwill
The impairment of goodwill requires an estimation of the value-in-use of the cash-generating unit to which the goodwill is allocated.
To estimate the value-in-use the Group must estimate the expected future cash flows from the cash-generating unit. This estimate is based on budgets and business plans for each cash-generating unit. Key parameters are sales growth, operating margin and growth expectations beyond the budget period. Management also chooses a suitable after-tax discount rate (WACC) in order to calculate present value of these cash flows.

The carrying amount of goodwill at 31 December 2012 was DKK 61.7 million (2011: DKK 61.8 million). Please refer to note 8 and 9 for further details.

Impairment of trademark and contracts
The value of the trademark and contracts acquired and the expected useful life are assessed based on long-term development of the trademark and contracts in the relevant markets and the profitability of the trademark and contracts.

Measurement is based on expected future cash flows for trademark and contracts on the basis of assumption about expected useful life, royalty rate, sales/licence income, expected useful life and calculated tax effect. The after-tax discount rate reflecting the risk-free interest rate with addition of estimated future risks associated with trademark and contracts is used.

When there is an indication of a reduction in the value or useful life an impairment test is conducted and the trademark and contracts are written down or the amortisation is increased in line with the shorter useful lives of the trademark and contracts.

The carrying amount of the trademark at 31 December 2012 was DKK 5.3 million (2011: DKK 6.6 million). The useful life of trademark is estimated to be 10 years. Please refer to note 8 for further details.

The carrying amount of the contracts at 31 December 2012 was DKK 1.1 million (2011: DKK 3.2 million). Please refer to note 8 for further details.

Allowances for doubtful trade receivables
Trade receivables are stated at amortised cost less allowances for potential losses on doubtful trade receivables.

NNE Pharmaplan maintains allowances for doubtful trade receivables in anticipation of estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial circumstances of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management analyses trade receivables and examines historical bad debt customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when evaluating the adequacy of the allowance for doubtful trade receivables.

The carrying amount of allowances for doubtful trade receivables is DKK 4.9 million at 31 December 2012 (2011: DKK 4.9 million). Please refer to note 13 for further details.

Deferred taxes
Management's judgement is required in determining the Group's provision for deferred tax assets and liabilities. NNE Pharmaplan recognises deferred tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management has considered future taxable income in assessing whether deferred income tax assets should be recognised.

The carrying amount of deferred tax assets and deferred tax liabilities is DKK 53.6 million (2011: DKK 38.8 million) and DKK 2.7 million (2011: DKK 4.1 million) respectively at 31 December 2012.

The tax value of a tax loss of DKK 47.4 million (2011: DKK 51.6 million) have not been recognised in the balance sheet as currently there is no convincing evidence that the Group will be able to use these tax losses due to local restrictions. Please refer to note 17 for further details.

Accounting policies

The principal accounting policies set out below have been applied consistently in the preparation of the Consolidated financial statements for all the years presented, unless otherwise stated.

Early adoption of new or amended IFRSs
IAS 19R, 'Employee benefits' was revised by IASB in June 2011 with an effective date on or after January 1, 2013 and endorsed by the European Union in June 2012. NNE Pharmaplan has early adopted the amendment in 2012 and is thus not utilising the option to defer the recognition of actuarial gains and losses from defined benefit post-employment plans, known as the corridor approach, and is instead recognising all actuarial gains and losses in Other comprehensive income as these occur. Early adoption also involves immediate recognition of all past service costs, and replacing interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate that is used to discount to the net defined benefit obligation (asset).

As a retrospectively application of these changes only would have an immaterial impact on each previous financial year, NNE Pharmaplan has fully adopted the amendment in 2012 without restating previous year's comparable amounts and disclosures. Thus, while the adoption has not had an initial impact on the Income statement in 2012, the implementation decreased Other comprehensive income and Equity by DKK 19 million, Retirement benefit obligation increased by DKK 22 million, Deferred income tax liabilities decreased by DKK 3 million.

Furthermore, NNE Pharmaplan has early adopted the amendment to IAS 1, Presentation of financial statements, effective for annual periods beginning on or after 1 July 2012. The amendment requires items of Other comprehensive income, classified by nature, to be grouped into those that will be reclassified subsequently to profit or loss when specific conditions are met and those that will not be reclassified to profit or loss.

Adoption of new and amended IFRSs
NNE Pharmaplan has adopted all new or amended and revised accounting standards and interpretations ('IFRSs') issued by IASB endorsed by the European Union effective for the accounting year 2012. Based on an analysis made by NNE Pharmaplan, the application of the new IFRSs has not had a material impact on the Consolidated financial statements in 2012 and the Group does not anticipate any significant impact on future periods from the adoption of these new IFRSs.

New or amended IFRSs that have been issued but not yet come into effect and not early adopted.
In addition to the above, IASB has issued a number of new or amended and revised accounting standards and interpretations which have been endorsed by the European Union, but not yet come into effect.

Principles of consolidation
The Consolidated financial statements incorporate the Financial statements of NNE Pharmaplan A/S and entities controlled by NNE Pharmaplan A/S.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intragroup transactions, balances, income and expenses are eliminated in full when consolidated.

Acquired and divested companies are included in the Income statement during the period of NNE Pharmaplan's ownership. Comparative figures are not adjusted for disposed or acquired companies.

Translation of foreign currencies
Functional and presentation currency
Items included in the Financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The Consolidated financial statements are presented in Danish kroner (DKK), which is the functional and presentation currency of the Parent Company.

Translation of transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Translation differences on non-monetary items, such as financial assets classified as available-for-sale, are included in the fair value reserve in Other comprehensive income.

Translation of group companies
Financial statements of foreign subsidiaries are translated into Danish kroner at exchange rates ruling at the balance sheet date for assets and liabilities and at average exchange rates for Income statement items.

All effects of exchange rate adjustments are recognised in the Income statement with the exception of exchange gains and losses arising from:
- The translation of foreign subsidiaries net assets at the beginning of the year at the exchange rates at the end of the reporting period
- The translation of foreign subsidiaries' Income statement using average exchange rates, whereas balance sheet items are translated using the exchange rates ruling at the end of the reporting period.

The above exchange rate gains and losses are recognised in Other comprehensive income.

Turnover
The Group recognises turnover when the amount of the turnover can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met as described below.

The Group's services are carried out exclusively against customer contracts. The Group has two different kinds of contracts with customers; current account contracts and fixed-price contracts.

Turnover from current account contracts, typically from delivery of engineering services, is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Turnover from fixed-price contracts for delivery of engineering services is recognised under the percentage-of-completion (POC) method. According to the POC method, turnover is generally recognised based on the services performed to date as a percentage of the total services to be performed as also described below under work in progress.

If circumstances arise that may change the original estimates of turnover, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in estimated turnover or costs and are reflected as income in the period in which the circumstances that give rise to the revision become known by Management.

Cost of projects
The cost of projects comprises all costs, including office rent, depreciations, wages and salaries and pension contributions as well as other costs related to rendering engineering services.

Sales and distribution costs
Sales and distribution costs comprise salaries and pension contributions for sales staff, marketing costs, office rent, car expenses and depreciations.

Administration costs
Administration expenses comprise salaries and pension contributions for administrative staff, management, office rent, office costs and depreciation.

Financial items
Financial items comprise interest income, interest expenses and foreign currency translation adjustments and realised capital gains or losses on shares.

Dividend income is recognised when the right to receive payment is established.

Work in progress
Work in progress reflects services carried out against customer contracts that have not yet been finally delivered and invoiced. Contracts are recognised at the sales value of the completed portion of the contract at the balance sheet date (percentage-of-completion method).

The calculation of the percentage-of-completion is based on the technical progress of each contract. The calculation is supplemented and verified by using economical percentage-of-completion which is calculated as the proportion of costs paid to date of the expected total costs of completing the contracts.

Any potential loss on contracts is calculated as the total loss on the contract irrespective of the portion actually completed, and the loss is expensed when it is probable and included in work in progress.

Calculations of losses are based on direct production costs, primarily salary and pensions, and indirect production overheads. Indirect production overheads comprise indirect supplies and labour as well as depreciations. The indirect production overheads are measured based on a standard cost method, which is reviewed regularly in order to ensure relevant measures.

Amounts invoiced on account for the completed portion of work are deducted from the value of this work, whereas amounts invoiced on account that exceed the completed portion of a contract are recognised as prepayments under Current liabilities.

Costs incurred in connection with sales work and contract acquisition are recognised as part of the contract costs. Only cost incurred from the time it is probable that the contacts will be signed is recognised.

Provisions
Provisions cover warranty obligations for projects in progress and completed projects and non-current employee benefits.

Provisions, including tax and legal cases, are recognised where a legal or constructive obligation has been incurred as a result of past events and it is probable that it will lead to an outflow of resources that can be reliably estimated. In this connection, Management makes the estimate based upon an evaluation of the individual, most likely outcome of the cases. In cases where a reliable estimate cannot be made, the provisions are not recognised but only disclosed as contingent liabilities.

Provisions are measured at the present value of the anticipated expenditures for settlement of the legal or constructive obligation using a pre-tax rate that reflects current marked assessment of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as interest expense.

Leases
Leases of assets whereby the Group assumes substantially all the risks and rewards of ownership are capitalised as finance leases under Property, plant and equipment and depreciated over the estimated useful lives of the assets, according to the periods listed below in the paragraph regarding tangible assets. The corresponding financial lease liabilities are included in liabilities.

Operating lease costs are charged to the Income statement on a straight-line basis over the period of the lease.

Tax
The tax expense for the period comprises current and deferred tax and interest, including adjustments to previous years. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in Other comprehensive income.

Deferred income taxes arise from temporary differences between the accounting and taxable values of the individual, consolidated companies and from realisable tax loss carry forwards, using the liability method. The tax value of the tax loss carry forwards is included in deferred tax assets to the extent that the tax losses and other tax assets are expected to be utilised in future taxable income. The deferred income taxes are measured according to the current tax rules and at tax rates expected to be in force at the elimination of the temporary differences.

Unremitted earnings are retained by subsidiaries for reinvestment. No provision is made for income taxes that would be payable upon the distribution of such earnings.

Intangible assets

Goodwill
Goodwill represents any cost in excess of identifiable net assets, measured at fair value in acquired companies. Goodwill recognised under Intangible assets is related to subsidiaries.

Goodwill is measured at historical cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is not amortised but is allocated to cash-generating units for the purpose of yearly impairment testing.

Other intangible assets
Patents, licenses, trademark, contracts and customer lists are measured at historical cost less accumulated amortisation and any impairment loss.

Amortisation is provided under the straight-line method over the estimated useful life of the assets:

Patents	10 years
Licenses	7 years
Trademark	10 years
Contracts	3 years
Customer lists	3-10 years

ERP systems

The Group's finance and project systems (ERP systems) include external and internal costs directly and indirectly allocated to the ERP systems. Computer software licenses are included in the costs.

The ERP systems are measured at historical cost less accumulated amortisation and any impairment loss. Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and when the cost of the item can be measured reliably.

Amortisation is provided under the straight-line method over the estimated useful life of the asset set at a period of five years.

Tangible assets

Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment loss. Subsequent costs are included in the carrying amount of the asset only when it is probable that future economic benefits associated with the asset will flow to the Group and when the cost of the item can be measured reliably.

Depreciation is provided under the straight-line method over the estimated useful lives of the assets:

Leasehold improvements	7-10 years
IT equipment	3-5 years
Plant, machinery and other equipment	5-10 years

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Increases in the carrying amount arising on revaluation of land and buildings are credited to Other comprehensive income and shown as Other reserves in shareholders' equity.

Gains and losses on disposables are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

Assets with limited expected useful lives are expensed in the Income statement in the year of acquisition.

Impairment of assets

The carrying amount of intangible and tangible assets is reviewed annually for indication of value decrease beyond the level of normal depreciation. If the asset or group of assets have depreciated in value, write-down is made to a lower recoverable value. The recoverable value is recognised as the highest value of net sale price and value in use. If the recoverable value cannot be recognised the need for write-down is based on the smallest group of assets for which the recoverable value can be maintained.

Goodwill is tested for impairment at least annually or more frequently if there are indications that the value might be impaired. The test is done based on an evaluation of the cash-generating unit to which goodwill is related. The evaluation is based on an evaluation of the discounted future expected cash flows of the cash-generating unit. For goodwill and other assets, where it is not possible to assess the present value as the assets themselves do not generate future cash flows, the impairment test is done on the basis of the cash-generating unit to which the assets belong.

Impairments are recognised in the Income statement in the cost area where the asset is present.

Financial assets

The Group classifies its investments in the following categories

- Receivables
- Available-for-sale financial assets

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this designation at the end of each reporting period to the extent that such a classification is permitted and required.

Recognition and measurement

Financial assets are carried at amortised cost using the effective interest method.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active marked. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as Current assets. If not, they are presented as non-current assets.

Trade receivables and Other current assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision for allowances is made for trade receivables when there is objective evidence, that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The provision for allowances is deducted from the carrying amount of Trade receivables and the amount of the loss is recognised in the Income statement under Sales and distribution costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against Sales and distributions costs in the Income statement.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets. They are included in non-current financial assets unless Management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale financial assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in Other comprehensive income.

Dividend

Dividend is recognised as a liability in the period in which it is declared at the Annual General Meeting.

Employee benefits

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees concerned.

Pensions

The Group operates a number of defined contribution plans throughout the world. The Groups contributions to the defined contribution plans are charged to the Income statement in the year to which they related. In a few countries, the Group still operates defined benefit plans primarily located in Germany and Switzerland. The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the dates of valuation and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits, projected rates of remuneration growth. Discount rates are based on the marked yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other comprehensive income in the period in which they arise.
Past service costs are recognised immediately in the Income statement. Pension assets are only recognised to the extent that the Group is able to derive future economic benefits such as refunds from the plan or reductions in future contributions. The Group's contributions to defined contribution plans are charged to the Income statement in the year to which they relate.

The Group's defined benefit plans are pension plans and are usually funded by payments from Group companies and by employees to funds independent of the Group. Where a plan is unfunded, a liability for the retirement obligation is recognised in the Balance sheet. Costs recognised for pension plan are included in Cost of projects, Sales and distribution costs, and Administrative costs.

Please refer to page 51 for a description of the changed accounting policy for retirement benefit obligations.

Share-based payment/Incentives

On 1 January 2007, NNE Pharmaplan introduced its own incentive programme. The incentive programme converts the granted share appreciation rights into a fixed number of Novo Nordisk shares.

The incentive programme is treated as a cash-settled, share-based scheme. The fair value of the employee services received in exchange for the grant of share appreciation rights is recognised as an expense and amortised over the vesting period.

The total amount to be expensed over the vesting period is determined by reference to the fair value based on an option pricing model (Black-Scholes) of the share appreciation rights excluding the impact of any non-market vesting conditions.

The liability of the share appreciation rights is measured, initially and at each reporting date until settled, at the fair value of the share appreciation rights, by applying an option pricing model (Black-Scholes), taking into account the terms and conditions on which the share appreciation rights were granted and the extent to which the employees have rendered service to date. Any change in the fair value of the share appreciation rights from the grant date to the end of each financial year is recognised as financial income/expense in the Income statement.

Non-market vesting conditions are included in assumptions about the share appreciation rights. At each balance sheet date the Group revises its estimates of share appreciation rights that are expected to be delivered. The Group recognises the impact of the revision of the original estimates, if any, in the Income statement and a corresponding adjustment to the liability over the remaining vesting period. Adjustments relating to prior years are included in the Income statement in the year of adjustment.

Before 1 January 2007, NNE Pharmaplan Group took part in a share-based payment plan in the Novo Nordisk Group. The plan entailed that Novo Nordisk A/S granted shares or options to Executive Management, NNE Pharmaplan Management and Senior Executives of NNE Pharmaplan.

The plan is treated as an equity-settled share-based scheme. This implies that the value of the scheme calculated at the grant date is charged as a cost in the Income statement over the vesting period of the scheme. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options or shares granted, excluding the impact of any non-market vesting conditions. The fair value is fixed at grant date. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. The Group recognises the impact of the revision of the original estimates, if any, in the Income statement, and a corresponding adjustment to equity over the remaining vesting period. Adjustments relating to prior years are included in the Income statement in the year of adjustment 'truing up'.

When employees exercise their option to purchase shares, NNE Pharmaplan pays the Parent Company (Novo Nordisk A/S) the difference between the exercise and the market price. This payment is deducted in the equity.

Liabilities

Generally, liabilities are stated at amortised cost unless specifically mentioned otherwise.

Borrowings are recognised initially at fair value, net of transactions costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income statement over the period of the borrowings using the effective interest method. Borrowings are classified as Current debt unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Statement of cash flows

The Statement of cash flows and financial resources is presented in accordance with the indirect method commencing with Operating profit. The statement shows cash flows for the year, the net change in cash and cash equivalents for the year, and cash and cash equivalents at the beginning and the end of the year.

Cash and cash equivalents consist of cash less short term bank loans. Financial resources consist of cash and cash equivalent and undrawn committed credit facilities expiring after more than one year.

Financial ratios

Financial ratios have been calculated using the 'Recommendations & Financial Ratios' of the Danish society of financial analysts.

Operating profit margin $= \dfrac{\text{Operating profit x 100}}{\text{Turnover}}$

Profit margin before tax $= \dfrac{\text{Profit before tax x 100}}{\text{Turnover}}$

Return on equity $= \dfrac{\text{Net profit x 100}}{\text{Average equity}}$

Solvency ratio $= \dfrac{\text{Equity at year end x 100}}{\text{Total assets}}$

Payout ratio $= \dfrac{\text{Total dividend x 100}}{\text{Net profit}}$

Dividend per share $= \dfrac{\text{Dividend}}{\text{Number of shares}}$

Financial definitions

Internal consultants are consultants hired on a temporary contract and have a notice period of 3 months or less.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 2 Turnover		
Sales value of completed contracts during the year	1,558,746	870,006 [1)]
Sales value of other service sales	186,994	142,301
Sales value of work in progress, end of year	1,913,202	1,985,490
Sales value of work in progress, beginning of year	(1,985,490)	(1,493,524) [1)]
Total	**1,673,452**	**1,504,273**

Turnover consists of 38% (38% in 2011) to companies in the Novo Nordisk Group,
5% (10% in 2011) to the Novozymes Group and 57% (52% in 2011) to other customers.
The distribution is 39% (42% in 2011) in Denmark and 61% (58% in 2011) abroad.

The Group supplies projects, engineering and consulting services to the pharma and biotech industries.

[1)] The opening balance 2011 include gross amount for NNEPharmaplan A/S and net amount other companies. This impacts the calculation of sales value.

	2012	2011
Note 3 Employee costs		
Wages and salaries	799,633	767,679
Pensions defined contribution plans	77,932	75,081
Pensions defined benefit plans (note 20)	7,929	6,893
Share-based payment costs (note 24)	5,925	2,422
Other social security contributions	42,521	38,097
Other employee costs	45,512	40,831
Total	**979,452**	**931,003**
Included in the Income statement under the following headings:		
Cost projects	844,286	804,360
Sales and distribution costs	46,225	40,318
Administrative costs	88,941	86,325
Total	**979,452**	**931,003**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 3 Employee costs (continued)		
Average number of full-time employees	1,637	1,675
At the end of the year the Group had 1,659 full time employees compared to 1,668 at year end 2011.		
Management's remuneration and share-based payments:		
Fees to Board of Directors	908	855
Salary, cash bonus etc to Executive Management	4,405	2,763
Pension contribution to Executive Management	856	508
Share-based payment to Executive Management (note 24)	647	176
Salary, cash bonus etc to NP Management	18,903	15,197
Pension contribution to NP Management	1,377	1,414
Share-based payment to NP Management	1,720	1,187
Total	**28,816**	**22,100**

The fee to the Board of Directors is a fixed amount applying to employee elected members and to members outside the Novo Nordisk Group.

Executive Management (CEO) is entitled to a severance payment of 12 months' salary plus pension contribution, if terminated by the Company.

	2012	2011
Note 4 Depreciation, amortisation and impairment losses		
Depreciation and amortisation are derived from:		
Intangible assets	5,643	6,263
Property, plant and equipment	5,518	6,306
Total	**11,161**	**12,569**
Included in the Income statement under the following headings:		
Cost of projects	9,746	11,276
Sales and distribution costs	321	246
Administrative costs	1,094	1,047
Total	**11,161**	**12,569**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 5 Financial income		
Interest income on loan to related parties (note 23)	-	16
Interest income on short term bank deposits	165	240
Other financial income	27	221
Unrealised/realised foreign exhange gains	6,648	3,219
Total	**6,840**	**3,696**

Note 6 Financial expenses		
Interest expenses on loans to related parties (note 23)	369	1,261
Interest expenses bank borrowings	333	586
Other interest expenses	175	240
Discounted amount on provision on dilapidation	-	322
Unrealised/realised capital loss on provisions (share-based payment (note 19))	11,254	2,747
Unrealised/realised foreign exhange loss	6,915	3,490
Other financial expenses	3,779	941
Total	**22,825**	**9,587**

Note 7 Income taxes		
Current tax on profit for the year (note 18)	28,264	12,335
Deferred tax on profit for the year (note 17)	(7,790)	4,166
Tax on profit for the year	**20,474**	**16,501**
Adjustments related to previous years – deferred tax (note 17)	(5,063)	(5,034)
Adjustments related to previous years – current tax (note 18)	(1,002)	3,837
Total	**14,409**	**15,304**

The tax effect of joint taxation with the Parent Company Novo Nordisk A/S and affiliated companies is distributed on the companies according to their taxable income (the full costing method). The Danish jointly taxed companies are included in a Danish tax prepayment scheme.

Computation of effective tax rate:		
Statutory corporate income tax rate in Denmark	25.0%	25.0%
Adjustments to previous years	(0.4%)	23.3%
Adjustments to deferred tax assets	(10.9%)	(30.6%)
Non-tax income less non-tax deductible expenses	3.1%	8.8%
Tax loss carry-forward, not booked	7.9%	92.4%
Changes in tax rate from 2011 to 2012	(1.8%)	0.1%
Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate	6.0%	(25.9%)
Effective tax rate	**28.9%**	**93.1%**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 7 Income taxes (continued)		
Tax on other comprehensive income for the year (income)/expenses	3,466	303
Income taxes paid		
Income taxes paid in Denmark	7,203	474
Income taxes paid outside Denmark	15,084	9,901
Total income taxes paid	**22,287**	**10,375**

Note 8 Intangible assets

2012	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Total
Cost at 1 January	61,811	987	25,249	5,418	13,164	49,819	156,448
Additions during the year	-	-	-	-	-	668	668
Disposals during the year	-	-	-	-	-	-	-
Exchange rate adjustments	(65)	(8)	89	59	-	66	141
Cost at 31 December	**61,746**	**979**	**25,338**	**5,477**	**13,164**	**50,553**	**157,257**
Depreciation and impairment losses at 1 January	-	777	22,015	3,740	6,585	44,266	77,383
Depreciation for the year	-	51	2,164	369	1,317	1,742	5,643
Disposals during the year	-	-	-	-	-	-	-
Exchange rate adjustments	-	(5)	78	30	-	28	131
Depreciation and impairment losses at 31 December	-	**823**	**24,257**	**4,139**	**7,902**	**46,036**	**83,157**
Carrying amount at 31 December	**61,746**	**156**	**1,081**	**1,338**	**5,262**	**4,517**	**74,100**

2011	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Total
Cost at 1 January	61,705	975	25,318	5,464	13,164	46,233	152,859
Additions during the year	-	-	-	-	-	3,718	3,718
Disposals during the year	-	-	-	-	-	(217)	(217)
Exchange rate adjustments	106	12	(69)	(46)	-	85	88
Cost at 31 December	**61,811**	**987**	**25,249**	**5,418**	**13,164**	**49,819**	**156,448**
Depreciation and impairment losses at 1 January	-	719	19,912	3,395	5,268	42,131	71,425
Depreciation for the year	-	52	2,157	352	1,317	2,385	6,263
Disposals during the year	-	-	-	-	-	(217)	(217)
Exchange rate adjustments	-	6	(54)	(7)	-	(33)	(88)
Depreciation and impairment losses at 31 December	-	**777**	**22,015**	**3,740**	**6,585**	**44,266**	**77,383**
Carrying amount at 31 December	**61,811**	**210**	**3,234**	**1,678**	**6,579**	**5,553**	**79,065**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 9 Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to two individual cash-generating units for impairment testing:

- Former Pharmaplan Group – consisting of NNE Pharmaplan SAS, NNE Pharmaplan GmbH, NNE Pharmaplan AG, NNE Pharmaplan India Ltd., OOO NNE Pharmaplan and NNE Pharmaplan Sdn Bhd.
- NNE Pharmaplan Inc. (US)

Carrying amount of goodwill allocated to each of the cash-generating units:

	Pharmaplan Group		NNE Pharmaplan Inc.		Total	
	2012	2011	2012	2011	2012	2011
Carrying amount of goodwill	**56,971**	**56,963**	**4,775**	**4,848**	**61,746**	**61,811**

Pharmaplan Group

The recoverable amount of the Pharmaplan Group unit is determined by a value-in-use calculation using cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period. The pre-tax discount rate applied to the cash flow is 6.7% (2011: 7.1%). The average operating profit margin is 3-7% (2011: 4-8%). The growth rate used to extrapolate the cash flows of the Pharmaplan Group beyond the five-year period is 0% (2011: 0%).

NNE Pharmaplan Inc.

The recoverable amount of the NNE Pharmaplan Inc. unit is determined by a value-in-use calculation using cash flow projections based on financial budgets approved by the Board of Directors covering a five year period. The pre-tax discount rate applied to cash flow is 6.7% (2011: 7,1%). The average operating profit margin is 4-8% (2011: 0-2%). The growth rate used to extrapolate the cash flows of NNE Pharmaplan Inc. beyond the five-year period is 0% (2011: 0%).

NOTES – CONSOLIDATED

(DKK 1,000)

Note 10 Property, plant and equipment

2012	Land and buildings	Leasehold improvements	Other equipment	Total
Cost at 1 January	7,252	6,979	61,792	76,023
Additions during the year	-	2,058	6,598	8,656
Disposals during the year	(7,299)	(585)	(2,596)	(10,480)
Exchange rate adjustments	47	4	(71)	(20)
Cost at 31 December	**-**	**8,456**	**65,723**	**74,179**
Depreciation and impairment losses at 1 January	(786)	2,158	52,084	53,456
Depreciation for the year	-	1,494	4,024	5,518
Disposals during the year	767	(567)	(2,196)	(1,996)
Exchange rate adjustments	19	21	(85)	(45)
Depreciation and impairment losses at 31 December	**-**	**3,106**	**53,827**	**56,933**
Carrying amount at 31 December	**-**	**5,350**	**11,896**	**17,246**
Financially leased assets amount to	**-**	**-**	**106**	**106**

The Group leases cars under non-cancellable finance lease agreements.

2011	Land and buildings	Leasehold improvements	Other equipment	Total
Cost at 1 January	11,236	12,463	60,606	84,305
Additions during the year	-	4,698	4,054	8,752
Disposals during the year	(3,940)	(10,232)	(2,894)	(17,066)
Exchange rate adjustments	(44)	50	26	32
Cost at 31 December	**7,252**	**6,979**	**61,792**	**76,023**
Depreciation and impairment losses at 1 January	4,696	5,454	49,843	59,993
Revaluation surplus	(1,516)	-	-	(1,516)
Depreciation for the year	-	1,886	4,420	6,306
Disposals during the year	(3,940)	(5,201)	(2,271)	(11,412)
Exchange rate adjustments	(26)	19	92	85
Depreciation and impairment losses at 31 December	**(786)**	**2,158**	**52,084**	**53,456**
Carrying amount at 31 December	**8,038**	**4,821**	**9,708**	**22,567**
Financially leased assets amount to	**-**	**-**	**170**	**170**

An independent valuation of the group's land and buildings was performed by valuers to determine the fair value of the land and buildings as at 31 December 2011. The valuation was determined by reference to recent market transactions on arm's length terms. The revaluation surplus net of applicable deferred income taxes was credited to Other comprehensive income and is shown in Other reserves in shareholders' equity.

The Group leases cars under non-cancellable finance lease agreements.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 11 Investments		
Value at 1 January	15,199	16,524
Fair value and exchange rate adjustments	(6,637)	(1,325)
Value at 31 December	**8,562**	**15,199**

Other investments relate to shares in Abu Dhabi Medical Devices Company Ltd. of DKK 9 million (2011: DKK 15 million).

Note 12 Work in progress and payments on account for work in progress

Current account contracts		
Work in progress	1,317,290	1,587,301
Prepayments on account	(1,262,689)	(1,535,209)
Total	**54,601**	**52,092**
Fixed-price contracts		
Work in progress	595,912	398,190
Prepayments on account	(609,931)	(395,302)
Total	**(14,019)**	**2,888**
Total	**40,582**	**54,980**

This is classified in the balance as shown below:

	Current account	Fixed-price	Total	Total
Current assets	81,947	43,377	125,324	120,928
Current liabilities	(27,346)	(57,396)	(84,742)	(65,948)
Total	**54,601**	**(14,019)**	**40,582**	**54,980**

Work in progress includes an unrealised profit of DKK 35.3 million at 31 December 2012 against an unrealised profit of DKK 42.6 million at 31 December 2011.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 13 Trade receivables		
Trade receivables (gross)	**193,450**	**194,708**
Allowance for doubtful trade receivables:		
Balance at the beginning of the year	(4,944)	(9,363)
Change in allowance during the year	(2,442)	(772)
Realised losses during the year	2,452	4,957
Exchange rate adjustments	62	234
Balance at the end of the year	**(4,872)**	**(4,944)**
Trade receivables (net)	**188,578**	**189,764**

Trade receivables (net) can be specified as follows:

	2012	2011
Neither past due nor impaired	112,393	124,319
Past due:		
Between 1 and 90 days	71,016	48,306
Between 91 and 180 days	2,460	13,584
Between 181 and 270 days	841	501
Between 271 and 360 days	1,718	2,506
More than 360 days	150	548
Trade receivables (net)	**188,578**	**189,764**

Historically the Group has only had minor losses on debtors.

Note 14 Other receivables and prepayments

	2012	2011
Prepaid rent	730	501
Prepaid IT costs	2,222	692
Other prepaid costs	10,345	21,117
Accrued income	5,171	1,163
Deposits	6,250	4,851
Employee costs	2,233	2,669
Other receivables	7,276	15,862
Total	**34,227**	**46,855**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 15 Share capital		
Share capital at the end of the year:		
A share capital (167 shares of DKK 1,000)	167	167
B share capital (333 shares of DKK 1,000)	333	333
Total	**500**	**500**

The share capital in NNE Pharmaplan A/S is divided into A shares and B shares. The A shares have 10 votes per DKK 500 of the A share capital, whereas the B shares have one vote per DKK 500 of the B share capital. There are no transferability restrictions on the B shares, while the owners of the A shares have a right of first refusal in case of any transfer of A shares.

The share capital has been unchanged for the last 5 years.

Note 16 Other liabilities		
Employee costs payable	192,853	169,472
VAT, taxes and other contributions to social security	15,965	18,995
Accruals	73,029	77,314
Financial lease commitments	255	254
Other payables	5,323	5,756
Total	**287,425**	**271,791**

The liabilities are all payable within one year.

Other liabilities are denominated in the following currencies:		
CNY	20,573	15,394
USD	13,858	12,717
EUR	69,904	69,058
SEK	5,105	4,376
CHF	17,031	17,619
INR	4,317	3,914
MYR	594	867
RUB	1,916	8,153
BRL	551	-
DKK	153,576	139,693
Total	**287,425**	**271,791**

There is only an insignificant difference between nominel amounts and amortised amounts and thus only the amortised amounts have been presented.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 17 Deferred tax assets (Deferred tax liabilities)		
At the beginning of the year	34,687	34,162
Deferred tax on profit for the year (note 7)	7,790	(4,166)
Adjustments related to previous years (note 7)	5,063	5,034
Deferred tax on items recognised in Other comprehensive income	3,466	(303)
Exchange rate adjustments	(116)	(40)
Total deferred tax assets (liabilities) (net)	**50,890**	**34,687**

2012	**Intangible assets**	**Property, plant and equipment**	**Work in progress**	**Tax loss carry forward**	**Provisions**	**Other**	**Offset within countries**	**Total**
Deferred tax assets at 1 January	604	6,426	10,356	23,579	13,508	655	(16,327)	38,801
Deferred tax liability at 1 January	(4,114)	(1,037)	(7,262)	-	(7,736)	(292)	16,327	(4,114)
Net deferred tax asset/(liability) at 1 January	**(3,510)**	**5,389**	**3,094**	**23,579**	**5,772**	**363**	**-**	**34,687**
Exchange rate adjustments	(13)	(10)	42	(15)	(88)	(32)	-	(116)
Income/(charge) to the Income statement	1,428	1,478	(10,884)	3,893	17,123	(185)	-	12,853
Other comprehensive income	-	303	-	-	3,163	-	-	3,466
Deferred tax asset/(liability) at 31 December	**(2,095)**	**7,160**	**(7,748)**	**27,457**	**25,970**	**146**	**-**	**50,890**
Specified as follows:								
Deferred tax asset at 31 December	545	7,172	245	27,457	26,062	810	(8,667)	53,624
Deferred tax liability at 31 December	(2,640)	(12)	(7,993)	-	(92)	(664)	8,667	(2,734)
Net deferred tax asset/(liability) at 31 December	**(2,095)**	**7,160**	**(7,748)**	**27,457**	**25,970**	**146**	**-**	**50,890**

Tax losses carried forward

The Group has recognised deferred tax asset on tax loss carry forward in two entities where the company in 2012 has negative taxable income. The recognition of the tax asset is due to a strong expectation of future taxable income from which the tax loss carry forward can be deducted. The two entities have in the past showed a positive trend and thus it is expected that the entities will have positive taxable income in the near future.

Further to the above, the tax value of tax losses carried forward of DKK 47,4 million (2011: DKK 51.6 million) has not been recognised in the Balance sheet due to the likelihood that the tax losses will not be realised in the future. Of the unrecognised tax losses carried forward, DKK 0.7 million expires within one year, DKK 2 million between 2-5 years and DKK 44.7 million after more than five years.

NOTES – CONSOLIDATED

(DKK 1,000)

2011	Intangible assets	Property, plant and equipment	Work in progress	Tax loss carry forward	Provisions	Other	Offset within countries	Total
Deferred tax assets at 1 January	435	7,505	6,752	16,311	18,003	545	(9,827)	39,724
Deferred tax liability at 1 January	(5,562)	(913)	(4,265)	-	(4,408)	(241)	9,827	(5,562)
Net deferred tax asset/(liability) at 1 January	**(5,127)**	**6,592**	**2,487**	**16,311**	**13,595**	**304**	**-**	**34,162**
Exchange rate adjustments	51	19	266	(130)	(164)	(82)	-	(40)
Income/(charge) to the Income statement	1,566	(919)	341	7,398	(7,659)	141	-	868
Other comprehensive income	-	(303)	-	-	-	-	-	(303)
Deferred tax asset/(liability) at 31 December	**(3,510)**	**5,389**	**3,094**	**23,579**	**5,772**	**363**	**-**	**34,687**
Specified as follows:								
Deferred tax asset at 31 December	604	6,426	10,356	23,579	13,508	655	(16,327)	38,801
Deferred tax liability at 31 December	(4,114)	(1,037)	(7,262)	-	(7,736)	(292)	16,327	(4,114)
Net deferred tax asset/(liability) at 31 December	**(3,510)**	**5,389**	**3,094**	**23,579**	**5,772**	**363**	**-**	**34,687**

	2012	2011
Note 18 Tax payables/tax receivables		
At the beginning of the year	(2,115)	3,971
Corporation tax paid during the year	210	1,172
Prepaid tax	22,077	9,203
Adjustments related to previous years (note 7)	1,002	(3,837)
Current tax for the year (note 7)	(28,264)	(12,335)
Exchange rate adjustments	(48)	(289)
Total tax receivable/(tax payable)	**(7,138)**	**(2,115)**
This can be specified as follows:		
Current assets	3,381	3,224
Current liabilities	(10,519)	(5,339)
Total	**(7,138)**	**(2,115)**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011

Note 19 Provisions

NNE Pharmaplan gives 1-5 years' warranties on certain services and thus has an obligation to rectify or replace services that are not satisfactory.
The calculation of employee benefits is based on certain benefit, economic and demografhic assumptions.
The provision regarding the dilapidation is expected to be used within the next 9 years and is based on management's best estimate.
Other provisions consists of various types of provisions and severance pay etc.

As interest rate 4% has been used.

	Warranties	Long-term employee benefits	Dilapidation	Long-term incentive programme	Other	Total	Total
Other provisions at 1 January	2,601	6,185	3,171	15,699	9,737	37,393	67,011
Additions during the year	993	592	(323)	5,927	1,491	8,680	11,317
Unused amounts reversed	(1,687)	(19)	-	-	(388)	(2,094)	(18,855)
Used during the year	(816)	(229)	(125)	(991)	(9,561)	(11,722)	(25,442)
Value adjustment	-	-	-	11,254	-	11,254	2,747
Increase in discounted amount	-	-	-	-	-	-	322
Exchange rate adjustments	7	(31)	(41)	-	2	(63)	293
Provisions at 31 December	**1,098**	**6,498**	**2,682**	**31,889**	**1,281**	**43,448**	**37,393**

	2012	2011
Specification of provisions:		
Current provisions	28,090	13,226
Non-current provisions	15,358	24,167
Total	**43,448**	**37,393**
Current provisions are denominated in the following currencies:		
CNY	-	1,274
USD	414	-
EUR	675	1,236
SEK	82	201
CHF	-	320
INR	-	17
MYR	-	15
DKK	26,919	10,163
Total	**28,090**	**13,226**
Non-current provisions are denominated in the following currencies:		
USD	2,095	2,716
EUR	260	261
INR	747	704
DKK	12,256	20,486
Total	**15,358**	**24,167**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 20 Retirement benefit obligations

Most employees in the Group are covered by post-employment retirement plans in form of primarily defined contribution plans or alternatively defined benefit plans.
Group companies sponsor these plans either directly or by contributing to independently administered funds.
The nature of such plans varies according to the legal regulations, fiscal requirements and economic conditions of the countries in which the employees are employed, and the benefits are generally based on the employees' remuneration and years of service.
The obligations relate both to existing retirees' pensions and to pension entitlements of future retirees.

Post-employment benefit plans are usually funded by payments from Group companies and by employees to funds independent of the Group.
Where a plan is unfunded, a liability for the retirement obligation is recognised in the Consolidated balance sheet.
In accordance with the Accounting policies, the costs recognised for post-employment benefits are included in Cost of projects, Sales and distribution costs or Administrative costs.

	2012	2011
Retirement benefit obligations:		
Beginning of the year	78,805	68,841
Current service cost	5,637	4,678
Interest cost	3,064	2,722
Remeasurements (gains)/losses [1]	25,097	(3,118)
Benefits paid to employees	(5,877)	3,082
Other	2,264	-
Exchange rate adjustments	540	2,600
At the end of the year	**109,530**	**78,805**

[1] Remeasurements relates primarily to change in financial assumptions.

	2012	2011
Fair value of plan assets of the year:		
Beginning of the year	30,523	21,949
Interst income	765	791
Remeasurements gains/(losses)	2,698	(991)
Employer contributions	3,243	2,785
Benefits paid to employees	(5,406)	3,522
Other	2,263	-
Exchange rate adjustments	298	2,467
At the end of the year	**34,384**	**30,523**
Net retirement benefit obligations at the end of the year (unfunded) [1]	**75,146**	**48,282**

[1] Unrecognised remeasurements in 2011 amounted to DKK 0.1 million. Net retirement benefit obligation recognised in the Balance sheet in 2011 amounted to DKK 48 million.

The amounts recognised in the Balance sheet for post-employment defined benefit plans are predominantly non-current and are reported as non-current liabilities.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 20 Retirement benefit obligations (continued)		
Net retirement obligations recognised in the Balance sheet:		
At the beginning of the year	48,421	44,752
Remeasurements recognised in Statement of the comprehensive income [1]	22,305	-
Recognised in the Income statement	7,929	6,893
Employeer contributions	(3,243)	(2,785)
Benefit paid to employees, net	(471)	(440)
Exchange rate adjustments	205	1
At the end of the year	**75,146**	**48,421**

[1] Remeasurements charged to Other Comprehensive income including effect of change in accounting policy in 2012 amounting to DKK 0.1 million.

	2012	2011
Costs recognised in the Income statement for the year		
Current service cost	5,637	4,678
Interest cost on pension obligation	3,064	2,722
Remeasurements (gains)/losses	(765)	(791)
Interest income	-	315
Exchange rate adjustments	(7)	(31)
Past service cost	-	-
Total expenses included in employee costs	**7,929**	**6,893**
Cost recognised on Other comprehensive income		
Remeasurements (gains)/losses	22,305	-
Total	**22,305**	**-**
Cost of projects	6,933	6,019
Sales and distribution costs	344	280
Administrative costs	652	594
Total	**7,929**	**6,893**

The Group expects to contribute DKK 7.1 million to its defined benefit pension plans in 2013 (2012: DKK 6.6 million). It is not expected that the contribution over the next five years will differ significantly from current contributions.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 20 Retirement benefit obligations (continued)		
Weighted average asset allocation of funded retirement obligations		
Equities	21%	25%
Bonds	45%	42%
Property	20%	20%
Cash	6%	0%
Other	8%	13%
Assumptions used for valuation		
Discount rate	3%	4%
Projected return on plan assets	2%	3%
Projected future remuneration increases	0%	1%
Inflation rate	1%	1%

For all major defined benefit plans actuarial computations and valuations are performed annually.
The overall expected rate of return is determined based on low-risk investments in bonds in the relevant currencies.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected future remuneration increase.

The sensitively analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the period

	Increase	Decrease
A one percentage point change in the assumed rate of increase in future remuneration cost would have had the following effect: Effect on the defined benefit obligation (increase in obligation)/decrease in obligation	(7,372)	4,897
A one percentage point change in the assumed discount rate would have had the following effects: Effect on the defined benefit obligation (increase in obligation)/decrease in obligation	19,099	(24,127)

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 21 Commitments and contingencies		

Operating leases

The operating lease commitments are related to non-cancellable operating leases, related to office rent, company cars and copying machines. Expenses related to lease rentals amount to DKK 50.3 million in 2012 and DKK 55.8 million in 2011
Approximately 30% (2011: 28%) of the commitments are related to leases outside Denmark.

The duration period for NNE Pharmaplan Group's rental leases varies. However; the longest commitment is for a lease in Chippenham UK. This leasing is non-cancellable for 14 years for NNE Pharmaplan.

Lease commitments are expiring within the following periods as from the end of the reporting period:

	2012	2011
Within one year	46,828	45,671
Between one and two years	34,458	33,208
Between two and three years	22,561	23,792
Between three and four years	20,534	20,139
Between four and five years	19,114	18,794
After five years	63,460	73,737
Total	**206,955**	**215,341**

Other commitments

The internal consultants have a notice period of 3 months or less.

Other commitments are payable within the following periods as from the balance sheet date:

	2012	2011
Within one year	42,879	13,715
Between one and two years	1,487	2,769
Between two and three years	71	713
Between three and four years	-	17
Between four and five years	-	-
Total	**44,437**	**17,214**

Guarantees

	2012	2011
Bank guarantees	39,545	25,722
Total	**39,545**	**25,722**

Bank guarantees are guarantees that the main bank of NP Group has issued towards other banks NP are using or toward NP Group customers.

Pending litigation against NNE Pharmaplan

NNE Pharmaplan Group is engaged in some litigation proceedings. In the opinion of Management, settlement or continuation of these proceedings are not expected to have a material effect on the financial position.

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 22 Fees to statutory auditors		
Statutory audit fee to PWC	2,654	2,242
Audit-related services	184	428
Tax advisory services	146	108
Total	**2,984**	**2,778**

Note 23 Transactions with related parties

Related parties are considered to be the Executive Management and the Board of Directors of the company, the Novo Nordisk Group, the Novo Nordisk Foundation, Novo A/S, the Novozymes Group and members of management of these entities. Related parties also include companies in which the above persons have significant interests.

All agreements relating to these transactions are based on the list prices used for sale to third parties where such list prices exist, or the price has been set at what is regarded as market price.
The material items of these agreements are renegotiated regularly. The Group has had the following transactions with related parties:

	2012	2011
Value of services sold		
The Novo Nordisk Group	638,384	585,805
The Novozymes Group	86,340	103,626
Total	**724,724**	**689,431**
Value of services acquired		
The Novo Nordisk Group	25,467	12,812
Total	**25,467**	**12,812**
Financial income		
The Novo Nordisk Group	-	16
Total	**-**	**16**
Financial expenses		
The Novo Nordisk Group	369	1,261
Total	**369**	**1,261**

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 23 Transactions with related parties (continued)		
Receivables		
The Novo Nordisk Group	77,161	79,635
The Novozymes Group	16,935	25,868
Total	**94,096**	**105,503**
Cash and Cash equivalents		
The Novo Nordisk Group	31,638	19,582
Total	**31,638**	**19,582**
Payables		
The Novo Nordisk Group	3,750	4,720
The Novozymes Group	138	95
Total	**3,888**	**4,815**
Loans Novo Nordisk Group		
Current	-	28,098
Total	**-**	**28,098**

Ownership

NNE Pharmaplan A/S is a wholly owned subsidiary of Novo Nordisk A/S and included in the Consolidated financial statements of Novo Nordisk A/S.

The Consolidated financial statements of Novo Nordisk A/S are available on request from Novo Nordisk A/S, Novo Allé, DK-2880 Bagsværd.
The ultimate parent is the Novo Nordisk Foundation, Tuborg Havnevej 19, DK-2900 Hellerup.

NOTES – CONSOLIDATED

(DKK 1,000)

Note 24 Share-based payment schemes

The share-based payment schemes consist of two different schemes; A scheme for the years up to and including 2006 and a scheme for the year 2007 and onwards.

The scheme for the year 2007 and onwards:

As from 2007, the Executive Management, NNE Pharmaplan Management and Senior Executives of the NNE Pharmaplan Group participated in a Long-term share-based incentive programme set up by NNE Pharmaplan A/S. This programme replaced a previous share option programme. The Long-term Incentive programme is entirely linked to the financial performance of NNE Pharmaplan Group. A maximum of 4 months' (8 months' for the CEO) base salary per participant per year can be earned in the year.

The elements included in the programme are applied to reward focus on the profitability of NNE Pharmaplan.

Once a year, the NNE Pharmaplan Board of Directors approves the financial targets for the coming calendar year, to ensure alignment of targets and the long-term business plan.

The scheme until 2006:

From 2004 to 2006, the Executive Management of the Company participated in a share-based incentive programme set up by the Parent Company Novo Nordisk A/S. This programme replaced a previous share option programme. The incentive programme was based on an annual calculation of shareholder value compared to the planned performance for the year for the Novo Nordisk Group. The bonus pool operated with a maximum contribution per participant equal to eight months of salary. For further information on the incentive programme, please refer to Novo Nordisk's Annual Report 2012.

The Parent Company, Novo Nordisk A/S, had established share option schemes with the purpose of motivating and retaining a qualified management group and to ensure common goals for management and the shareholders. The granting of share options was subject to the achievement of financial and non-financial goals decided by the Board of Directors of the Parent Company Novo Nordisk A/S aligned with the Novo Nordisk Group's long-term targets. Options granted prior to the demerger of Novozymes in 2000 have been split into one Novo Nordisk option and one Novozymes option.

Assumptions

The market value of the Novo Nordisk B share options has been calculated using the Black-Scholes option pricing model.

The assumptions used are shown in the table below:

Novo Nordisk A/S

Calculation of the restricted stock units/awards value at year-end	2012	2011
Expected life of the right in years (average)	1	2
Expected volatility (based on one-year historical volatility)	21%	23%
Expected dividend per share (in DKK)	18	13
Risk-free interest rate (based on Danish Government bonds)	0%	0.2%
Novo Nordisk B share price at 31 December	917	660

NOTES – CONSOLIDATED

(DKK 1,000)

Note 24 Share-based payment schemes (continued)

Outstanding share options in Novo Nordisk A/S

	Executive Management number	NNE Pharmaplan Management and Senior Executives number	Total number	Average exercise price (DKK 1,000)	Fair value (DKK 1,000)
Outstanding at 1 January 2012	-	99,200	99,200	158	47,593
Granted in 2012	-	-	-	-	-
Exercised in 2012	-	(64,550)	(64,550)	151	(31,544)
Value adjustment	-	-	-	-	8,642
Outstanding at 31 December 2012	**-**	**34,650**	**34,650**	**170**	**24,691**
Outstanding at 1 January 2011	-	134,500	134,500	159	59,739
Granted in 2011	-	-	-	-	-
Exercised in 2011	-	(35,300)	(35,300)	161	(15,580)
Value adjustment	-	-	-	-	3,434
Outstanding at 31 December 2011	**-**	**99,200**	**99,200**	**158**	**47,593**

	Issued share options number	Exercised share options number	Outstanding exercisable share options number	Exercise price (DKK)	Exercise period
Share option plan for 2005	95,934	(88,434)	7,500	153.0	31/1 2009 - 30/1 2014
Share option plan for 2006	132,686	(105,536)	27,150	175.0	31/1 2010 - 30/1 2015
Exercisable share option plan at 31 December 2011	**228,620**	**(193,970)**	**34,650**		

NOTES – CONSOLIDATED

(DKK 1,000)

	2012	2011
Note 24 Share-based payment schemes (continued)		
Employee shares (Outside DK)	-	329
Share-based payment / NNE Pharmaplan Group long-term share-based incentive programme	5,925	2,093
Total cost of share-based payment for the year	**5,925**	**2,422**
Included in the Income statement under the following headings:		
Cost of projects	5,181	2,114
Sales and distribution costs	257	99
Administrative costs	487	209
Total	**5,925**	**2,422**
This amount can be specified as follow:		
Executive Management	647	176
Other employees	5,278	2,246
Total	**5,925**	**2,422**
Financial expenses, realised and unrealised loss (note 6)	11,254	2,747
The liability of the restricted stock units/awards:		
The liability of the restricted stock units/awards regarding the cash-settled scheme	**31,888**	**15,699**
The liability of the employee restricted stock award plan 2008	**-**	**9,030**

Note 25 Reversals with no effect on the cash flow		
Depreciation, including gain and loss on fixed assets sold	8,663	4,725
Change in provisions	16,075	(631)
Change in pensions etc	4,327	5,774
Total	**29,065**	**9,868**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 26 Financial risk management

NNE Pharmaplan's objective and policies for financial risk management follow the Novo Nordisk risk management guideline. It is NNE Pharmaplan's policy to monitor and mitigate all major financial risks affecting the financial performance. The risk profile, including all identified significant risks, is on a monthly basis included in the report to the Board of Directors. In addition, the long-term risk profile is reported to the NNE Pharmaplan Management and Novo Nordisk. NNE Pharmaplan's project portfolio of varied size as well as the company's international profile are main reasons that the company's profitability and cash flows are exposed to financial risks. The financial risks include foreign exchange risk, interest rate risk, counterpart risk and project risk.

Foreign exchange risk

The company's foreign exchange exposure is related to transactions and net investments in foreign operations. In relation to transactions the major part of the sales is in DKK, EUR, USD and CNY. NNE Pharmaplan's foreign exchange risk is therefore most significant in USD and CNY, as the foreign exchange risk on EUR is regarded as limited due to the Danish fixed-rate policy to the EUR.

As the income and cost are predominately carried in the same currency on the individual projects the foreign exchange risk on USD and CNY from the company's activities is low. A 10% change in USD and CNY currencies, other things being equal, will have a full-year impact on operating profit of approximately:

DKK million	2012	2011
USD	0.2	3.7
CNY	2.4	0.6

Net investments in US, China, France, Germany, Sweden, Ireland, Belgium and Brazil amounts to a total of DKK 39.1 million (2011: DKK 71.8 million).

DKK million	2012	2011
EUR	11.1	38.4
USD	(34.3)	(35.2)
CNY	53.3	66.3
SEK	8.2	2.3
BRL	0.8	-

Interest rate risk

NNE Pharmaplan's interest rate risk consists of the sensitivity of net interest bearing item to changes in the interest rate.
The net interest bearing debt in NNE Pharmaplan amounts to an asset of DKK 103.6 million (2011: An asset of DKK 26.0 million).

At the end of 2012 a one percentage point increase in the interest rate level, everything else being equal, is estimated to have an isolated effect on the operating profit before tax of DKK 1.0 million (2011: DKK 0.3 million).

Counterpart risk

Credit rating, supplied by a leading provider, are used in order to evaluate major clients and manage credit risk on an ongoing basis. In 2012 the five largest clients accounted for 59% (2011: 58%) of the total project portfolio resulting in a strict focus on this client group. Furthermore, the majority of the transactions occur with top 20 companies in the markets where NNE Pharmaplan operates.

Counterpart risk related to supply is limited through an use of back-to-back contracts and supplier guarantees. Performance bonds (guarantees) are imposed in all other significant supply contracts thereby minimising the Group's risk on counterparts.

Project risk

NNE Pharmaplan's risk on large projects is managed through a continuous risk assessment of the projects, hereunder conducting risk profiles of the individual projects. The projects are evaluated on risk committee meetings on a monthly basis.

Liquidity

The Group's underlying business is based on projects. To ensure adequated liquidity and maintain flexibility in operation, liquidity is managed through the use of consultancy services agreements and short term credit facilities with Novo Nordisk.

The table below analyses the Group's financial liabilities and assets into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES – CONSOLIDATED

(DKK 1,000)

Note 26 Financial risk management (continued)

2012	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short term borrowing	(2,867)	-	-	-	(2,867)
Payments on account for work in progress	(84,742)	-	-	-	(84,742)
Trade payables	(39,816)	-	-	-	(39,816)
Payables to related parties	(3,888)	-	-	-	(3,888)
Other liabilities (less taxes and other duties payable)	(287,425)	-	-	-	(287,425)
Financial liabilities	**(418,738)**	**-**	**-**	**-**	**(418,738)**
Work in progress	125,324	-	-	-	125,324
Trade receivables	188,578	-	-	-	188,578
Receivables from related parties	94,096	-	-	-	94,096
Other receivables (excl. prepayments)	20,930	-	-	-	20,930
Cash at bank and in hand	106,426	-	-	-	106,426
Financial assets	**535,354**	**-**	**-**	**-**	**535,354**
Net at 31 December	**116,616**	**-**	**-**	**-**	**116,616**

2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short term borrowing	(28,869)	-	-	-	(28,869)
Payments on account for work in progress	(65,948)	-	-	-	(65,948)
Trade payables	(63,036)	-	-	-	(63,036)
Borrowing related parties*	(28,098)	-	-	-	(28,098)
Payables to related parties	(4,815)	-	-	-	(4,815)
Other liabilities (less taxes and other duties payable)	(252,796)	-	-	-	(252,796)
Financial liabilities	**(443,562)**	**-**	**-**	**-**	**(443,562)**
Work in progress	120,928	-	-	-	120,928
Trade receivables	189,764	-	-	-	189,764
Receivables from related parties	105,503	-	-	-	105,503
Other receivables (excl. prepayments)	24,545	-	-	-	24,545
Cash at bank and in hand	82,944	-	-	-	82,944
Financial assets	**523,684**	**-**	**-**	**-**	**523,684**
Net at 31 December	**80,122**	**-**	**-**	**-**	**80,122**

* Borrowing related parties is loan from the Parent Company

NOTES – CONSOLIDATED

(DKK 1,000)

Note 26 Financial risk management (continued)

Capital management

The Group's objective when managing the capital structure is to ensure operational stability and maintaining a flexibel structure. The capital structure can be managed by adjusting the dividend payments to the shareholder or issuing new shares.

The Solvency ratio, calculated as equity to total liabilities, amounted to 22.1% by the end of the year (2011: 21.0%).

The long term goal for the Group is to maintain an equity ratio in excess of 30% in order to reach a competetive level for our industry.

Carrying amounts and fair value of the financial instruments (Financial assets and liabilities)

As at 31 December 2012, the carrying amounts of the financial assets and liabilities, are not materially different from the calculated fair value.

The following methods and assumptions were used to estimate the fair values:
Cash and short term deposits, work in progress, trade receivables, receivables from related parties, other receivables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance lease as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair value hierarchy

The Group has no Financial assets and liabilities at fair value through profit and loss, and no Available-for-sale financial assets.

Note 27 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2012		2011	
	Loans and receivables	**Total**	**Loans and receivables**	**Total**
Work in progress	125,324	125,324	120,928	120,928
Trade and other receivables	209,508	209,508	214,309	214,309
Receivables from related parties	94,096	94,096	105,503	105,503
Cash at bank and in hand	106,426	106,426	82,944	82,944
Assets as per 31 December	**535,354**	**535,354**	**523,684**	**523,684**

	2012		2011	
	Other financial liabilities	**Total**	**Other financial liabilities**	**Total**
Payments on account for work in progress	84,742	84,742	65,948	65,948
Trade payables	39,816	39,816	63,036	63,036
Short term borrowings	2,867	2,867	28,869	28,869
Short term borrowings related parties	-	-	28,098	28,098
Payables to related parties	3,888	3,888	4,815	4,815
Other liabilities	287,425	287,425	271,791	271,791
Liabilities as per 31 December	**418,738**	**418,738**	**462,557**	**462,557**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 28 Companies in the NNE Pharmaplan Group

	Country	Year of incorporation/ acquisition	Issued share capital/paid	Currency	Percentages of shares owned
Parent company					
NNE Pharmaplan A/S	Denmark	1989	500,000	DKK	100
NNE Pharmaplan (Tianjin) Co. Ltd.	China	1995	1,490,000	USD	100
NNE Pharmaplan AB	Sweden	2002	100,000	SEK	100
NNE Pharmaplan sas	France	2004	450,000	EUR	100
NNE Pharmaplan Ltd.	Ireland	2008	1	EUR	100
NNE Pharmaplan SA	Belgium	2012	61,500	EUR	100
NNE Pharmaplan Consultoria Ltda	Brazil	2012	20,000	BRL	100
NNE Pharmaplan GmbH	Germany	2007	550,000	EUR	100
NNE Pharmaplan AG	Switzerland	2007	300,000	CHF	100
NNE Pharmaplan (India) Limited	India	2007	5,000,000	INR	100
NNE Pharmaplan OOO	Russia	2007	50,000	RUB	100
NNE Pharmacon Beratungs-und Planungs GmbH	Germany	2007	26,000	EUR	100
NNE Pharmaplan Sdn Bhd.	Malaysia	2007	1,000,000	MYR	100
NNE Pharmaplan SPOL s.r.o.	Czech Republic	2008	3,000,000	CZK	100
NNE Pharmaplan Inc.	United States	2003	375,568	USD	100
FT Validation Corporation	Puerto Rico	2007	1,500	USD	100
Other investments					
Abu Dhabi Medical Devices Company Ltd.	United Arab Emirates	2007	38,800,000	AED	11

Financial statements 2012 of the Parent Company NNE Pharmaplan A/S

Annual report for the Parent Company NNE Pharmaplan A/S
is an integrated part of the Annual Report 2012 for NNE Pharmaplan

INCOME STATEMENTS OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2012	2011
Turnover	2	917,727	801,053
Cost of projects	3	(776,087)	(654,905)
Gross profit		**141,640**	**146,148**
Sales and distribution costs	3	(36,278)	(34,309)
Administrative costs	3	(71,955)	(70,159)
Operating profit		**33,407**	**41,680**
Share of profit (loss) in subsidiaries	9	13,346	(27,670)
Financial income	4	3,727	3,719
Financial expenses	5	(18,407)	(7,908)
Profit before income taxes		**32,073**	**9,821**
Income taxes	6	(8,944)	(15,222)
Net profit for the year		**23,129**	**(5,401)**

Proposed appropriation of net profit:		
Dividend to shareholders	-	-
Retained earnings	23,129	(5,401)
Reserve for net revaluation under the equity method	-	-
Total	**23,129**	**(5,401)**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2012	2011
Assets			
Intangible assets	7	384	767
Property, plant and equipment	8	3,758	3,196
Investments in subsidiaries	9	67,936	108,527
Deferred income tax assets		12,077	6,395
Total non-current assets		**84,155**	**118,885**
Work in progress and payments on accounts	10	55,212	45,916
Trade receivables		52,192	26,898
Receivables from related parties	13	206,358	233,737
Tax receivables		-	719
Other receivables and prepayments		3,818	2,998
Prepayments		6,609	6,338
Cash at bank and on hand		32,357	20,415
Total current assets		**356,546**	**337,021**
Total assets		**440,701**	**455,906**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2012	2011
Equity and liabilities			
Share capital	11	500	500
Retained earnings		120,091	117,087
Total equity		**120,591**	**117,587**
Loans and payables to related parties	13	-	-
Provisions		12,256	20,485
Total non-current liabilities		**12,256**	**20,485**
Payments on account for work in progress	10	31,665	28,010
Trade payables		16,409	30,046
Payables to related parties	13	81,785	79,519
Short term borrowing related parties	13	-	28,098
Tax payables		6,169	2,303
Provisions		26,919	10,164
Other liabilities		144,907	139,694
Total current liabilities		**307,854**	**317,834**
Total liabilities		**320,110**	**338,319**
Total equity and liabilities		**440,701**	**455,906**
Commitments	12		

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

2012	Share Capital	Reserve under the equity method	Retained earnings	Total
Balance at beginning of year	500	-	117,087	117,587
Exchange rate adjustments of investment in subsidiaries	-	-	233	233
Adjustment of investment in subsidiaries	-	-	(20,358)	(20,358)
Net income/(loss) recognised directly in equity	**-**	**-**	**(20,125)**	**(20,125)**
Net profit/(loss)	-	-	23,129	23,129
Total income/(loss)	**-**	**-**	**3,004**	**3,004**
Proposed dividend 2012	-	-	-	-
Balance end of year	**500**	**-**	**120,091**	**120,591**

Share Capital and Reserve under equity method cannot be used for dividend declaration.

2011	Share Capital	Reserve under the equity method	Retained earnings	Total
Balance at beginning of year	500	-	121,154	121,654
Exchange rate adjustments of investment in subsidiaries	-	-	122	122
Adjustment of investment in subsidiaries	-	-	1,212	1,212
Net income/(loss) recognised directly in equity	**-**	**-**	**1,334**	**1,334**
Net profit/(loss)	-	-	(5,401)	(5,401)
Total income/(loss)	**-**	**-**	**(4,067)**	**(4,067)**
Proposed dividend 2011	-	-	-	-
Balance end of year	**500**	**-**	**117,087**	**117,587**

Share Capital and Reserve under equity method cannot be used for dividend declaration.

NOTE 1 ACCOUNTING POLICIES OF THE PARENT COMPANY

The Parent Company's Financial statements have been prepared in accordance with the Danish Financial Statements Act class C/large companies.

The Accounting Policies for the Parent Company are unchanged compared to last financial year and are the same as for the Group with the following additions.

Direct changes in the equity of subsidiaries relating to pension plans are taken directly to the parent company's equity by DKK 19 million in order to give a more true and fair view in accordance with the Danish Financial Statements Act

For a description of the accounting policies of the Group, please see note 1 – summary of significant accounting policies, page 50-56.

Supplementary accounting policies for the Parent Company

Financial assets

In the Financial statements of the Parent Company, investments in subsidiaries are recorded under the equity method, which is at the respective share of the net asset values in subsidiaries. Any cost in excess of net assets in the acquired company is capitalised in the Parent Company under Financial assets as part of investments in subsidiaries (Goodwill). Amortisation of goodwill is provided under the straight-line method over a period not exceeding 20 years, based on estimated useful life.

Net profit of subsidiaries less unrealised intercompany profits is recorded in the Income statement of the Parent Company.

To the extent net profit of subsidiaries exceeds declared dividend from such companies, net revaluation of investments in subsidiaries is transferred to net revaluation reserve according to the equity method under equity.

Fair value adjustment of financial assets categorised as 'available for sale' in the parent company are recognised in the Income statement.

The profit in subsidiaries is shown as profit after tax.

Tax

The Parent Company is assessed jointly for Danish tax purposes with its Danish parent company Novo Nordisk A/S and other Danish affiliated companies. The Danish jointly taxed companies are included in a Danish on-account tax payment scheme for Danish corporate income tax. All current taxes under the scheme are recorded in the individual companies.

Cash flow statement

In conformity with section 86.4 of the Danish Financial Statements Act, no Cash flow statement is prepared for the Parent Company. Please refer to the Cash flow statement for the Group.

NOTES – PARENT COMPANY

(DKK 1,000)

	2012	2011
Note 2 Turnover		
Sales value of completed contracts during the year	687,622	1,170,622
Sales value of other sales	28,834	25,328
Sales value of work in progress, end of year	1,120,376	919,105
Sales value of work in progress, beginning of year	(919,105)	(1,314,002)
Total	**917,727**	**801,053**

Note 3 Employee costs		
Wages and salaries	476,118	461,366
Pensions	42,058	43,081
Share-based payment costs	5,927	2,422
Other contributions to social security	7,050	6,784
Other employee costs	16,389	11,926
Total	**547,542**	**525,579**
Included in the Income statement under the following headings:		
Cost of projects	480,274	458,956
Sales and distribution costs	19,133	17,698
Administrative costs	48,135	48,924
Total	**547,542**	**525,578**

The average number of full-time employees in 2012 was 686 compared to 720 in 2011. At the end of the year the company had 699 employees compared to 688 at year end 2011.

For information on remuneration to the Board of Directors, Executive Management and NP Management please refer to note 3 in the Consolidated notes.

Note 4 Financial income		
Interest income from group companies	1,122	1,453
Other financial income	2,605	2,266
Total	**3,727**	**3,719**

Note 5 Financial expenses		
Interest expenses to group companies	369	1,346
Other financial expenses	18,038	6,562
Total	**18,407**	**7,908**

NOTES – PARENT COMPANY

(DKK 1,000)

Note 6 Income taxes

The Parent Company paid DKK 12.2 million in tax related to current year (DKK 6.0 million in 2011).

Note 7 Intangible assets

2012	ERP system and software	Total
Cost at 1 January	40,624	40,624
Additions during the year	-	-
Disposals during the year	-	-
Cost at 31 December	**40,624**	**40,624**
Depreciation and impairment losses at 1 January	39,857	39,857
Depreciation for the year	383	383
Disposals during the year	-	-
Depreciation and impairment losses at 31 December	**40,240**	**40,240**
Carrying amount at 31 December	**384**	**384**

Note 8 Property, plant and equipment

2012	Other equipment	Total
Cost at 1 January	38,069	38,069
Additions during the year	2,019	2,019
Disposals during the year	-	-
Cost at 31 December	**40,088**	**40,088**
Depreciation and impairment losses at 1 January	34,873	34,873
Depreciation for the year	1,457	1,457
Disposals during the year	-	-
Depreciation and impairment losses at 31 December	**36,330**	**36,330**
Carrying amount at 31 December	**3,758**	**3,758**

Note 9 Investments in subsidiaries and joint ventures

Investments in subsidiaries		
Cost at 1 January	291,117	292,709
Additions during the year	518	4,139
Disposals during the year	-	(5,731)
Cost at 31 December	**291,635**	**291,117**

NOTES – PARENT COMPANY

(DKK 1,000)

	2012	2011
Note 9 Investments in subsidiaries and joint ventures		
Revaluation at 1 January	(122,836)	(75,677)
Exchange rate adjustments	(622)	1,447
Net profit/(loss) for the year	21,272	(19,743)
Dividend received	(28,021)	(28,863)
Remeasurements pension and fair value adjustment	(25,833)	-
Revaluation at 31 December	**(156,040)**	**(122,836)**
Depreciation and impairment losses at 1 January	(59,754)	(51,804)
Exchange rate adjustments	21	(22)
Amortisation of goodwill	(7,926)	(7,928)
Impairment losses and depreciation at 31 December	**(67,659)**	**(59,754)**
Carrying amount at 31 December	**67,936**	**108,527**

Aggregated financial information of subsidiaries:

Company	Domicile	Share of ownership	Share capital	Net equity	Profit/Loss
NNE Pharmaplan sas	Chatres, France	100%	EUR 450,000	9,783	1,178
NNE Pharmaplan Inc.	Morrisville, United States	100%	USD 375,568	(34,312)	426
NNE Pharmaplan (Tianjin) Co. Ltd.	Tianjin, China	100%	USD 1,490,000	53,338	14,631
NNE Pharmaplan AB	Stockholm, Sweden	100%	SEK 100,000	8,231	5,741
NNE Pharmaplan GmbH	Bad Homburg, Germany	100%	EUR 550,000	1,941	64
NNE Pharmaplan Ltd.	Dublin, Ireland	100%	EUR 1	355	(72)
NNE Pharmaplan SA	Brussel, Belgium	100%	EUR 61,500	(1,022)	(1,478)
NNE Pharmaplan Consultoria LTDA	Curitiba, Brazil	100%	BRL 20,000	784	782
				39,098	**21,272**
Goodwill etc at 31 December				28,838	
Amortisation of goodwill etc					(7,926)
Total				**67,936**	**13,346**

Aggregated financial information of joint ventures

Ownership in associated companies:

Name	Domicile	Share of ownership
Geanne I/S (Joint venture)	Skanderborg, Denmark	50%

Geanne I/S is closed down with effect from the end of 2012. The capital in the joint venture is split between the joint ventures partners at the end of 2012.

NOTES – PARENT COMPANY

(DKK 1,000)

	2012	2011
Note 10 Work in progress and payments on account for work in progress		
Current account contracts		
Work in progress	928,679	726,952
Prepayments on account	(907,412)	(718,962)
Total	**21,267**	**7,990**
Fixed-price contracts		
Work in progress	191,697	192,153
Prepayments on account	(189,417)	(182,237)
Total	**2,280**	**9,916**
Total	**23,547**	**17,906**

This is classified in the balance as shown below:

	Current account	Fixed-price	Total	Total
Current assets	40,554	14,658	55,212	45,916
Current liabilities	(19,287)	(12,378)	(31,665)	(28,010)
Total	**21,267**	**2,280**	**23,547**	**17,906**

Work in progress, includes an unrealised profit of DKK 9.9 million at 31 December 2012 against an unrealised profit of DKK 25.0 million at 31 December 2011.

Note 11 Share capital

Share capital at the end of the year:		
A share capital (167 shares of DKK 1,000)	167	167
B share capital (333 shares of DKK 1,000)	333	333
Total	**500**	**500**

The share capital in NNE Pharmaplan A/S is divided into A shares and B shares. The A shares have 10 votes per DKK 500 of the A share capital, whereas the B shares have one vote per DKK 500 of the B share capital. There are no transferability restrictions on the B shares, while the owners of the A shares have a right of first refusal in case of any transfer of A shares.

NOTES – PARENT COMPANY

(DKK 1,000)

	2012	2011
Note 12 Commitments and contingencies		

Operating leases
The operating lease commitments are related to non-cancellable operating leases, related to office rent, company cars and copying machines. Expenses related to lease rentals amount to DKK 21.3 million in 2012 and DKK 28.8 million in 2011.

Other Commitments
The internal consultants have a notice period of 3 months or less.

Operating leases and other commitments are payable within the following periods as from the balance sheet date:

	2012	2011
Within one year	34,389	34,036
Between one and two years	20,042	22,209
Between two and three years	17,268	17,690
Between three and four years	16,389	15,578
Between four and five years	15,830	15,035
After five years	55,328	66,508
Total	**159,246**	**171,056**

	2012	2011
Guarantees		
Bank guarantees	41,778	41,631
Other guarantees	38,799	24,775
Total	**80,577**	**66,406**

Note 13 Transactions with related parties

For information regarding transactions with related parties please refer to note 23 in the Consolidated notes.

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Board of Directors have today considered and adopted the Annual Report of NNE Pharmaplan A/S for the year 2012.

The Consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union. The Financial statements of the Parent Company are prepared in accordance with the Danish Financial Statements Act. Further, the Consolidated financial statements, the Financial statements of the Parent company and Managements Report are prepared in accordance with additional Danish disclosure requirements.

In our opinion, the Consolidated financial statements and the Financial statements of the Parent Company give a true and fair view of the financial position at 31 December 2012, the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2012. Furthermore in our opinion, Management's Report includes a true and fair account of the development in the operations non-financial and financial circumstances, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General meeting.

Gentofte, 4 April 2013

Executive Management

Morten Nielsen
President and CEO

Board of Directors

Birgit W. Nørgaard
(Chairman)

Lars Fruergaard Jørgensen
(Vice Chairman)

Per Valstorp

Hans Öström

Helene Moth-Poulsen

Jens Olesen

Bjarne Axelsen

INDEPENDENT AUDITOR´S REPORT

To the Shareholders of NNE Pharmaplan A/S
Report on Consolidated Financial Statements and Parent Company Financial Statements
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of NNE Pharmaplan A/S for the financial year 1 January to 31 December 2012, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Unoin, and the Parent Company Financial Statements are accordance withthe 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 that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and Danish disclosure requirements and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements and for such internal control as 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.

Auditor's 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 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 auditor's judgment, 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 auditor considers 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 audit opinion.

The audit has not resulted in any qualification.

Opinion
In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2012 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and Danish disclosure requirements for.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2012 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2012 in accordance with the Danish Financial Statements Act and Danish disclosure requirements.

Statement on Management's Review
We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Gentofte, 4 April 2013

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Lars Baungaard
Danish State Authorised Public Accountant

Rasmus Friis Jørgensen
Danish State Authorised Public Accountant

Concept & design NNE Pharmaplan A/S
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