Annual report 2013

nne pharmaplan®

Engineering for a healthier world

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THE YEAR AT A GLANCE

NNE Pharmaplan in 2013

- NNE Pharmaplan delivered its strongest operational financial performance ever, with a turnover of DKK 1,837 million and an operating profit margin of 5 percent
- Turnover increased by 10 percent compared with 2012, largely driven by the Nordic region and North America
- The 2013 result was largely driven by 20 percent growth in order entry from our strategic customers and continued improvements in our project execution
- Based on the increased business with strategic customers, NNE Pharmaplan's range of services and offerings is expanding. We now perform more services related to research and development. The R&D services address not only pharma and biotech facilities, but also other fields such as medical devices
- To address requirements for flexible, cost-effective concepts and solutions in a number of areas, NNE Pharmaplan has applied its standard biotech facility concept, called Bio on demand™, to the design of a number of biotech facilities both for emerging players and for established major US and European companies
- Loyalty and engagement amongst our employees continued to grow in 2013 and according to the Employee Survey, the number of NNE Pharmaplan ambassadors reached almost 34 percent

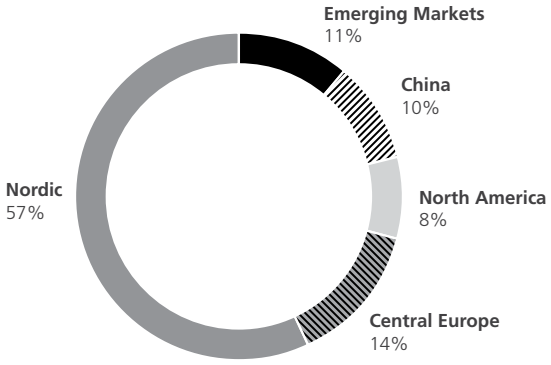
OUTLOOK FOR 2014

We expect financial performance in 2014 to be on par with 2013

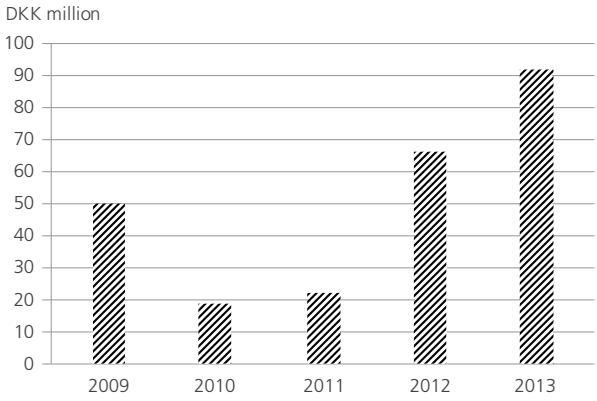
KEY FIGURES

INCOME STATEMENT (DKK MILLION)	2013	2012	2011	2010	2009
Turnover	1,837	1,673	1,504	1,466	1,488
Operating profit	91	66	22	18	50
Net profit	57	35	1	6	19
ASSETS & EQUITY (DKK MILLION)					
Total assets	765	707	706	671	589
Total equity	235	156	148	147	141
FINANCIAL RATIOS					
Operating profit margin (EBIT margin)	5.0%	3.9%	1.5%	1.3%	3.3%
Return on equity	29.3%	23.2%	0.8%	3.8%	14.2%
Solvency ratio	30.7%	22.1%	21.0%	21.8%	23.9%
PEOPLE					
Number of employees at end of year (FTE)	1,754	1,659	1,668	1,649	1,579

TURNOVER BY REGION 2013



OPERATING PROFIT



Our long-term strategy pays off

2013 turned out to be a very successful year for NNE Pharmaplan. Turnover increased by 10 percent driven by persistent focus on building long-term relationships with our strategic customers. Our operating profit increased by nearly 40 percent and we delivered an operating profit margin of 5 percent.

In 2013, NNE Pharmaplan delivered its strongest operational financial performance ever. Turnover increased by 10 percent to DKK 1,837 million. Operating profit exceeded our expectations, growing by almost 40 percent to DKK 91 million (2012: DKK 66 million), which corresponds to an operating profit margin of 5 percent.

We continued our efforts to build solid long-term relationships with our customers both globally and locally during 2013 resulting in 20 percent growth in order entries from strategic customers mainly driven by significant growth from Novo Nordisk and Roche. We improved our ability to deliver our projects on time, on budget and at the right level of quality. This was partly due to implementing the "Smarter Execution Platform" initiative, which rolls out an engineering model for best practice in project execution on a global scale as well as a new quality and project management training programme.

Loyalty and engagement amongst our employees continued to grow in 2013 and according to the Employee Survey, the number of NNE Pharmaplan ambassadors reached almost 34 percent.

In many aspects, 2013 was a remarkable year on NNE Pharmaplan's strategic journey. Overall, we have improved our performance on all four long-term strategic goals:

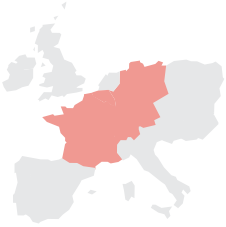
- We have increased the share of our business with strategic customers
- We have made good progress on project execution worldwide
- The ambassador score among NNE Pharmaplan employees has increased
- We achieved our best-ever financial performance, bringing NNE Pharmaplan to a new level

REGIONAL PERFORMANCE

Nordic

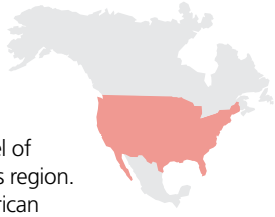
The Nordic region (Denmark and Sweden) achieved a very good result in 2013 that was well above target. We are expanding our business with local customers and supporting projects internationally. The positive result was driven by good project performance and a high activity level with our strategic customers.

Central Europe



Central Europe (Germany, France, Switzerland and Belgium) improved business and succeeded in building the business locally and globally with important strategic customers. The region ended the year with a strong order book and a solid market presence has been established in Germany, which for many years has been a challenge.

North America



The North American region is improving, although not quite at our level of ambition for this region. The North American engineering and consulting market within life science is important to NNE Pharmaplan. It serves as a base for many of our global customers, but it is also a challenging market with big players and strong competition.

Outlook for 2014

We will continue to optimise processes related to project execution in 2014, and we will focus on continuously strengthening the relationships with our strategic customers.

The aim is to gain better in-depth understanding of our customers' current and future needs, enabling us to translate these needs into value-adding services. With regulatory pressures intensifying in the life science industry, we will focus on developing our employees' competencies to match these challenges.

We will continue to develop our leading capabilities in the industry and invest in developing and sharing knowledge globally to the benefit of our customers.

We expect that NNE Pharmaplan's customers in many countries will be challenged by several significant business changes such as health care reforms and patent expiry, and this is likely to result in more cautious investment levels. We expect stronger competition in some of our key markets, and, consequently, we expect financial performance in 2014 to be on par with 2013.

Our strategy and long-term targets remain unchanged and we will continue to build on our success over the last few years, still aiming for an operating profit margin of 8 percent.

Morten Nielsen
CEO and President

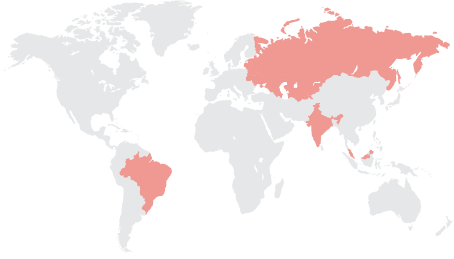
Birgit W. Nørgaard
Chairman

China

We have built a large and highly competent organisation in China over the past 15 years, because the Chinese market is important for our strategic customers. During 2013, we faced increased competition leading to a weaker result than expected. Despite the higher level of competition, we are still considered as a market leader within pharma and biotech and will remain dedicated to and focused on delivering high quality to our customers.

Emerging Markets

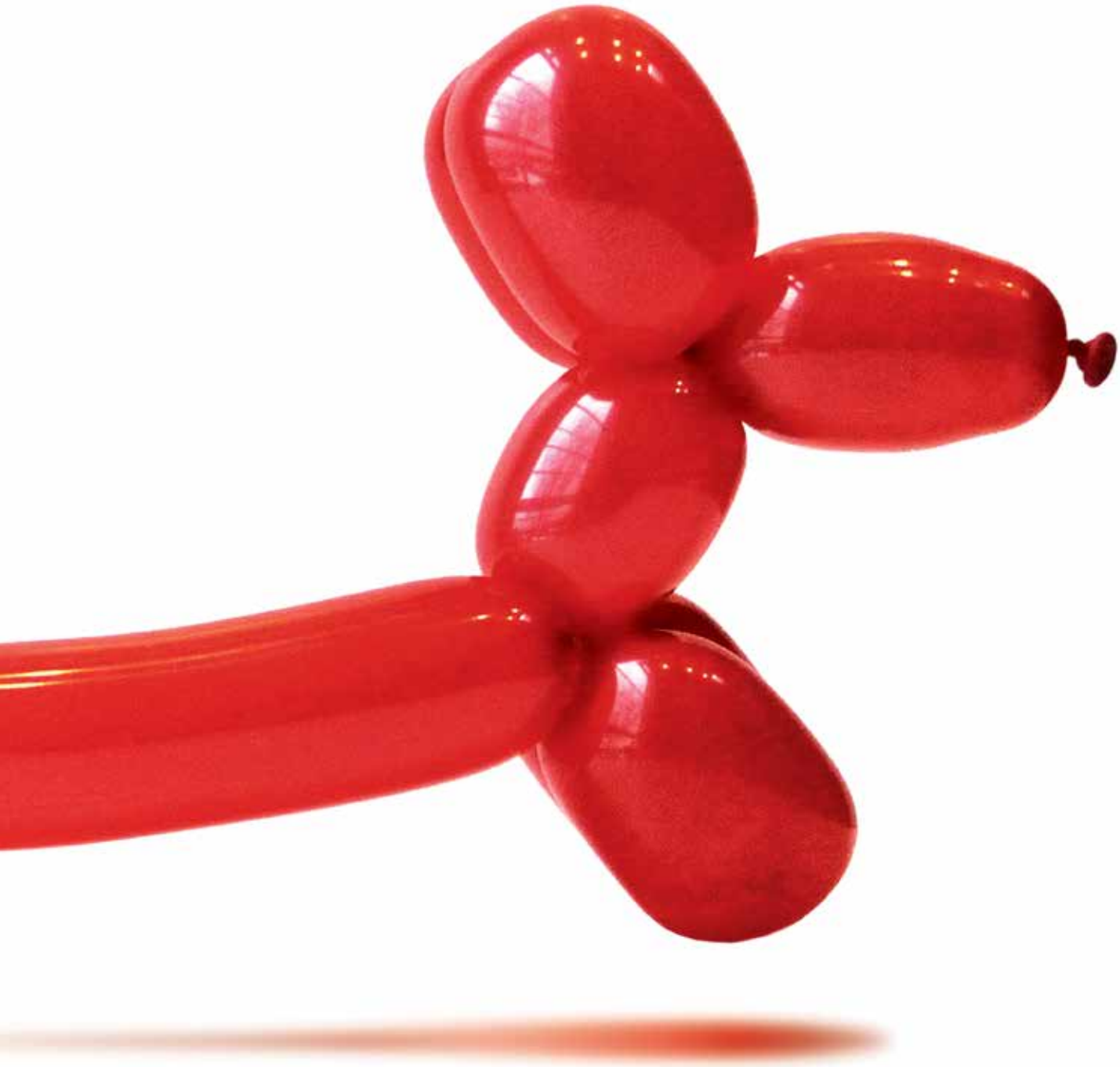
In the Emerging Markets region (Russia, India, Malaysia and Brazil), performance was improved compared with 2012, but it remains a challenging market and the region ended the year below expectations. India and Brazil did not quite live up to expectations, but closed the year with promising order books. Russia had a challenging year, but closed 2013 with a more stable business.



MARKET TRENDS

Flexibility is the way forward

After several years where the key business challenge for the pharma and biotech industry was the patent expiration of a large number of blockbuster drugs, referred to as the "patent cliff", 2013 became the year where the industry started to look beyond this challenge.



During the last few years, several pharmaceutical companies have been through substantial cost-cutting, layoffs and investment reductions – a consequence of their products going off patent and becoming generic drugs. A number of our customers have been significantly affected, while others have succeeded with strategic business changes that have lifted their pharmaceutical innovation level and improved business development results.

Beyond the patent expiry cliff
Several pharmaceutical companies have planned and invested in the future of pharmaceutical innovation. Many of our customers have restructured their businesses via research and product development or via acquisitions, and are planning for a new future beyond the patent cliff. Numerous pharmaceutical products are being targeted at smaller patient groups, but often at a high price per dose, which drives customer needs for more flexible facilities that operate on a smaller, highly efficient scale.

NNE Pharmaplan's ability to meet these needs has been an important focus area during 2013. We have seen increased interest in manufacturing capacity for biopharmaceuticals, vaccines and sterile injectables.

Several pharmaceutical companies invest in the future of pharmaceutical innovation

We have seen increased interest in manufacturing capacity for biopharmaceuticals, vaccines, and sterile injectables.

As these new therapies are expensive and often require health care professionals in hospitals or clinics, a key trend beyond the patent cliff is to supply drugs with drug delivery systems such as auto injectors, pens, pre-filled syringes – all requiring advanced manufacturing technology. During 2013, we have seen an increased need for technical services and projects related to medical technology, and fulfilling this need is a growing part of our activities. Read more about this in the markets and customers section.

Stricter enforcement of good manufacturing practices and quality regulations
Pharmaceutical facilities for aseptic processing of injectable medicine are complex in their design, build and operation, and they have also been the target of regulatory actions in several countries, especially in the US and Europe. 2013 has witnessed an increasing number of regulatory enforcement actions, especially in the US, with some of these actions even leading to drug shortages.

The US Food and Drug Administration (FDA) has enforced stricter regulations, and has also raised concerns about the

state of many pharmaceutical facilities from a regulatory perspective. Both the US and Europe experienced drug shortage situations during 2013, and professional industry organisations such as the International Society of Pharmaceutical Engineering (ISPE) co-operated with the FDA and others to identify the most critical areas of manufacturing. We have seen increasing demand from our customers for services and solutions related to regulatory issues and expect this business area to continue to grow in the future.

Another area of stricter enforcement is that of counterfeit medicine, which is becoming a growing and threatening industry worldwide. In an effort to combat counterfeiting, regulatory bodies all over the world are introducing new requirements for enabling the tracking and authentication of pharma and biotech products. Primarily aimed at codification, serialisation and e-Pedigree, the new requirements will have major implications for manufacturers, distributors and retailers alike. NNE Pharmaplan has expanded its services within this field, helping our customers to implement these new regulatory requirements.

Internationalisation of the pharmaceutical industry
Several years of growth in the emerging markets and China continues, although at a lower rate, and the market is changing. In the past many investments were driven by the low cost and attractive manufacturing conditions, but now the main driver for our customers is to serve local markets in countries such as China, India, Russia, Brazil, Indonesia and others. As an example of this trend,

We foresee future investments from both international and local companies in many emerging market countries.

AstraZeneca has built a manufacturing facility for oral solid dosage products in Taizhou, north of Shanghai, to meet the high demand for blood pressure medicine in China. Read the case story on page 14.

We see a growth within local companies that invest in facilities due to their local market presence and know-how. It seems to be a trend for international companies to enter the local markets with domestic partners rather than by own investments. We expect this trend to continue and foresee future investments from both international and local companies in many emerging market countries.

We also see increasing interest from mid-sized pharmaceutical companies with little or no experience in the emerging markets who want to expand their local business in these markets. Some of them work with us to establish their own local manufacturing capability, while others prefer to go with local business partners or the contract manufacturers that are becoming an increasing part of our business focus. The result is a rising interest in our services and especially in our ability to combine global knowledge with local presence and know-how.

CASE STORY

AstraZeneca: Breaking new ground in China

AstraZeneca is building a manufacturing facility for oral solid dosage products in Taizhou, north of Shanghai, to meet the high demand for blood pressure medicine in China.

The facility is the first to be built in the China Medical City (CMC) by an international pharmaceutical company, although other international companies are on their way to establish production at the future pharma hotspot at Taizhou, situated two and a half hours by car from Shanghai.

AstraZeneca aims to meet projected high demand in China for its blood pressure medicine Betaloc, which its facility in Wuxi no longer has the capacity to meet. Betaloc is used to treat high blood pressure and to prevent the symptoms of certain types of chest pain (angina).

Fit for purpose

NNE Pharmaplan has handled every aspect of the project from conceptual design to commissioning and qualification, with the exception of construction management. The facility covers 50,000 m^2 and is being built with the mantra "fit for purpose" in mind.

"A very significant characteristic of this project has been the effort to keep things simple and not over-engineer it. AstraZeneca wants to ensure that this project reflects new ways of thinking in OSD plant design, with focus on cost-efficient solutions," says NNE Pharmaplan Project Director, Kenneth Borch Larsen. He explains that this was reflected, for example, in the agreed sourcing strategy, which meant that very little process equipment has been imported for the project.

AstraZeneca is satisfied with the cooperation with NNE Pharmaplan. "The expertise and know-how, especially in the design phase, is something that sets NNE Pharmaplan apart from its competitors", says Martin Teo, Project Director at AstraZeneca.

CMC covers an area of 25 km^2 upon which the Chinese government intends to build the largest medical industry base in the country. Industries located at CMC will range from pharmaceuticals and biotechnology to chemicals, medical equipment and supplies.

An important aspect that sets the CMC apart from other areas is that the CFDA (China Food and Drug Administration) has also established a presence here.

On the right track

In line with our ambition to become the leading engineering and consulting company within the life science industry, we have focused on improving business with strategic customers. In 2013, we improved both project performance and relationships with our strategic customers.

At NNE Pharmaplan, we want to be recognised as an industry leader within the life science industry, as a trusted advisor that creates value for its customers, and for delivering on our promises. To be a leader is important because it provides access to the most challenging work, the most interesting customers, and the best people. To be able to fulfil this ambition, we continuously strive to improve the ways in which we conduct our business.

Strengthening customer relationships
In 2013, our focus was on improving the ability to build trust-based relationships with strategic customers. Based on the valuable feedback received from customers through surveys and interviews during 2012, we defined and implemented two overall focus areas: Improving our ability to execute projects and building more trust-based relationships with our customers.

We improved our project execution through our "Smarter Execution Platform" to ensure more consistent project performance across offices and projects. The platform comprises a new and lean quality management system and our global engineering model, which contains project standards and guidelines as well as global best practice examples. Additionally, a project management training programme was conducted, and collaboration was strengthened on a global scale through Communities of Interest. All employees were trained in use of the new platform, and both internal and Lloyd's audits conducted end of 2013 confirmed significant improvements in regard to quality and project execution. These improvements are also reflected in our project performance index which improved from 77 percent to 89 percent from 2012 to 2013. This is a significant step in our long-term aspiration to deliver 95 percent of our projects at index 100 or above, on time and on budget.

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

Customers especially value our commitment and our ability to act as a global partner across geographies

We improved our ability to build long-term and trust-based relationships with our strategic customers. To succeed with this, a global assessment of the current levels of relationships with many of our local sites was conducted, and specific aspirations and priorities across regions and account teams were identified. We defined local action plans in the NNE Pharmaplan regions, clarified roles and responsibilities, and started the process of engaging and empowering the responsible teams and individuals in the field. The customer satisfaction survey for 2013 indicates that we are on the right track. Customers especially value our commitment and our ability to act as a global partner across geographies.

Strategic focus in 2014
The focus for 2014 is to continuously strengthen relationships with our strategic customers. We want to further develop the customer-centric mindset at NNE Pharmaplan and deepen our understanding of our customers' emerging and future needs. We will use these insights to adapt and develop our services, solutions and competencies to ensure that we perform consistently and can continue to challenge and inspire our customers. As part of this we will strengthen the local business development with our strategic customers worldwide as well as our development of market-driven competencies. It is part of building a strong and sustainable business with strategic customers and a must if we want to improve customer and employee satisfaction.

Build leading capabilities

35%

or more of our people act as ambassadors of the company

Deliver competitive business results

8%

operating profit margin

MARKETS AND CUSTOMERS

Building a great business is about building relationships

With the pharma and biotech industry in our DNA, we understand our customers' challenges, which is a precondition to help them achieve success. In 2013, we increased business with our strategic customers – in fact, we grew our order entry by 20 percent from strategic customers.

General outlook
By December 2013, NNE Pharmaplan's backlog was DKK 839 million. The weighted value of the pipeline increased by 14 percent in 2013, and the combined backlog and weighted pipeline represented 17 months of work at the beginning of 2014.

Order entry from strategic customers generated 72 percent of NNE Pharmplan's total sales in 2013, up slightly from 70 percent in 2012. Orders from strategic customers increased by more than DKK 225 million to DKK 1,377 million, representing growth of 20 percent for 2013. The result is mainly driven by significant growth from Novo Nordisk and Roche.

Pharma and biotech is in our DNA
The life science industry is comprehensive and complex, and unlike most of our global competitors, we are among the very few companies that maintain a focused approach. We have started to intensify our presence at our strategic customers' local sites and to increase our mutual engagement in projects and other services, bringing us closer to our customers. The fact that we have the pharma and biotech industry in our DNA and that we have the ability to follow a global customer via our local presence worldwide is a strong asset.

Enhancing R&D and medical device services
NNE Pharmaplan's range of services and offerings is expanding. We now perform more services related to research and development, thus enhancing our ability to support our customers in their pursuit of a safe development process and a smooth technical transfer to commercial manufacturing. Our R&D services not only address engineering laboratories and other research facilities, but also other contexts such as medical devices. NNE Pharmaplan sees increasing demand to take a patient-centric approach when bringing new products to the market, and we work with the full range of activities from developing the drug substance to the delivery system.

Bringing medical devices from concept to market with fast, reliable and innovative solutions is one of NNE Pharmaplan's special competencies and fields of experience. With our global presence and roots in the pharma and biotech industries, NNE Pharmaplan understands what it takes to complete a successful medical device programme, from product conception to the design and manufacturing process, and right through until the device is ready for market launch. Part of our business development strategy is to expand this business area in the years to come.

Rethinking pharmaceutical manufacturing
During 2013, we witnessed significant interest in rethinking pharmaceutical manufacturing. Many of our customers are experiencing increased cost pressure from generic competition, drug price regulations and growing business in emerging markets, which all lead to interest in new, flexible and cost-effective concepts and solutions.

To address these requirements, NNE Pharmaplan has applied its standard biotech facility concept, called Bio on demand™, to the design of a number of biotech facilities together with both emerging players and established major US and European entities. For example, NNE Pharmaplan designed a cGMP facility in China for Boehringer Ingelheim based on the Bio on demand™ concept. Read the case story on page 32.

We combine new pharmaceutical technology, such as single-use technology, with deep knowledge of pharmaceutical operations, paving the way for our customers towards safe and proven solutions within short timeframes. Especially within the biotech field, going from multi-use to single-use technology is a rising trend. Read the case story on page 22, about a project where NNE Pharmaplan has helped Novo Nordisk to build its first facility based entirely on single-use technology, resulting in greater flexibility and lower costs.

In the vaccine field, NNE Pharmaplan developed a "Vaccines on demand" concept during 2013. NNE Pharmaplan's standardised modular facilities can save up to 60 percent of fixed capital costs compared with traditional facilities. We can set up a new facility in 8-18 months, offering our customers a fast to market opportunity.

Those of our customers who operate with tablets and other oral solid dosage forms are also expressing greater interest in flexible and cost-effective facilities. Here, the focus is on continuous manufacturing and smarter containment solutions. NNE Pharmaplan believes that the OSD plant of the future is flexible and cost-effective, and designed to facilitate internal transport automation.

CASE STORY

Novo Nordisk: Creating a pilot plant with single-use technology

NNE Pharmaplan has helped Novo Nordisk build its first facility based entirely on single-use technology, resulting in greater flexibility and lower costs.

Using plastic bags instead of steel tanks is essentially what single-use technology for pharmaceutical production is all about. The first Novo Nordisk facility to be based entirely on single-use technology is the 1T Extension Pilot Plant in Bagsværd, Denmark, which produces antibodies – and NNE Pharmaplan has played a major role in making it happen. The project team handed over the project in February 2013. "It has been an ultra-fast-track project which means that the schedule has been quite tight, but the end result was very good," says NNE Pharmaplan Senior Process Engineer Kim Vincentz Andersen.

Novo Nordisk needed to establish new production capacity because of increased market demand and new products in the pipeline. The pilot plant also provided the company with extra capacity for supplying clinical trials and small-scale commercial production. The plant will produce monoclonal antibodies (MAbs), which are typically used to treat cancer and inflammatory diseases such as Crohn's, psoriasis and other autoimmune diseases.

A rising trend

The plant for the production of antibodies holds great significance for Novo Nordisk, and turning to single-use technology gives them many advantages as an early cost benefit analysis from NNE Pharmaplan helped them realise.

"We see single use as a good possibility for future production technology on a pilot scale. It provides great flexibility and lower investment costs and, most likely, will also lower maintenance costs," says Project Manager Lotte Vistisen Specht, Novo Nordisk.

And Novo Nordisk isn't the only company that can see these advantages. Especially within biotech, going from multi-use technology to single use is a rising trend, according to Senior Technology Partner in NNE Pharmaplan, Niels Guldager:

"It is a good solution for biotech because you are dealing with proteins in quite a safe process without high pressure or high acidity. The main advantage is that you reduce the risk of contamination because you only use the bags once. Installation costs are lower and, once installed, single-use technology frees up a lot of highly skilled manpower. The people previously involved with cleaning can now use their time on other tasks."

No water waste

Using disposable plastic bags rather than steel tanks might sound harsh on the environment, but the environmental reality of single-use technology is more nuanced than that.

"You have to compare it with what it replaces. The cleaning process with steel tanks requires vast amounts of hot water and is very energy-consuming, both when you heat the water and when you clean the wastewater afterwards. With single-use technology you don't need any water at all. And plastic actually burns rather cleanly," says Niels Guldager.

NNE Pharmaplan has a high level of expertise when it comes to single-use technology and caught on to the trend very early on.

PEOPLE DEVELOPMENT

Accelerating competency development

To match customer expectations and future business needs, NNE Pharmaplan implemented several training and development programmes during 2013.

Improving leadership skills
We constantly strive to enhance our competencies, including the leadership skills of everyone with staff responsibility at NNE Pharmaplan. During 2013, we redefined our leadership competencies to ensure they reflect what we believe is good leadership.

The leadership competencies are: Set direction, drive performance, engage with customers, foster accountability and trust, lead across boundaries, inspire and motivate, coach and develop people, communicate with impact. Irrespective of experience level, all managers at NNE Pharmaplan will be evaluated against the eight leadership competencies once a year. This will take place as an integrated part of the performance and development process.

During 2013, a leadership training programme for newly appointed managers at NNE Pharmaplan was developed and kicked off. It aims to support new or less experienced managers with an efficient and beneficial transition to their new managerial role.

An additional module for experienced NNE Pharmaplan managers will be launched during the spring of 2014. All line managers across NNE Pharmaplan must participate in this training programme.

Global knowledge sharing
In order to solve our customers' challenges in the best possible way we constantly aim at ensuring that we develop and share knowledge globally. We have continued our journey to build an easily accessible knowledge sharing platform for 25 Communities of Interest which are linked to our project execution model. We want to ensure that our customers can benefit from the entire pool of our global knowledge when executing projects or doing consultancy work. In addition we have actively supported the exchange of employees among our offices to develop global competencies, the integration of technical skills and the establishment of strong cross-regional networks. During 2013, a total of 27 exchanges took place via the Global Exchange Programme took place, with participants from all five NNE Pharmaplan regions.

By ensuring that our employees have established a good access to top-notch knowledge around the clock and has the good internal network, we aim at being able to provide global expert knowledge to our customers – anytime and anyplace.

Talent development
To accelerate the development of employees with strong performance and potential, a "Greenhouse" programme was developed and conducted towards the end of 2013.

EMPLOYEE DATA

Number of employees
At the end of 2013, NNE Pharmaplan employed a total of 1,754 (full time employees) distributed across five regions and 12 countries. The number of employees in Emerging Markets, Central Europe, China and North America remained essentially unchanged, while the number of employees in the Nordic region increased, in particular in the Danish organisation.

1,754 employees

Age
The average age of employees in 2013 was 39.8 years – a slight decrease compared with 2012 (2012: 39.9 years; 2011: 39.5 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 2013 **39.8** years

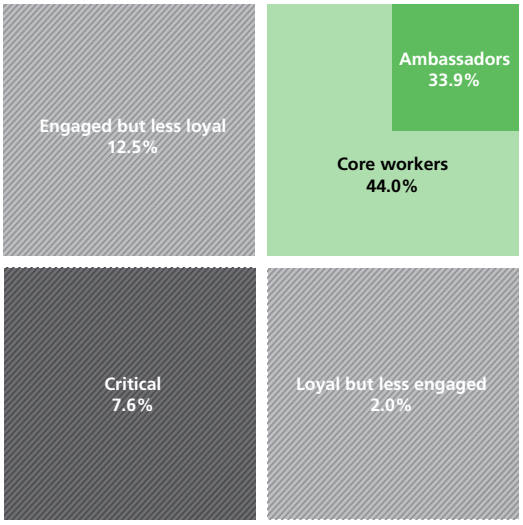
Seniority
The average employee seniority at NNE Pharmaplan was 6.6 years for 2013, unchanged from 2012.

Average 2013 **6.6** years

The objective of the Greenhouse programme is to accelerate employees' personal and professional development by providing them with solid insight into, and understanding of, their personal performance and potential.

During 2014, two new programmes will be launched. A global "Hothouse" programme for employees at executive level, as well as local "Sprouthouse" programmes in different NNE Pharmaplan regions for team leaders and professionals.

What makes NNE Pharmaplan a unique workplace
NNE Pharmaplan's ability to attract the right employees is key to our continued success. And the competition is fierce. For these reasons, NNE Pharmaplan has enhanced its employer brand so as to support the attraction, retention and engagement of the best employees in our industry. With this new employer brand, we clearly differentiate NNE Pharmaplan from its competitors and express what it is that makes us a unique place to work. The employer brand consists of four pillars: Life science, customer, project and people, which enables all employees to mirror themselves in the brand.



Employee Survey results for 2013.

Employee Survey – ambassador score outperforms 2013 target
Two global employee surveys were carried out during 2013 to measure the level of our employees' engagement, satisfaction and loyalty. The average response rate was a record 88.4 percent, an encouraging increase compared with 82 percent in 2012.

One of the survey's KPIs, the number of ambassadors, is defined as the number of employees who assign nine or ten points (on a ten-point scale) to six specific questions concerning loyalty and engagement. These employees are defined as ambassadors for the company. Our 2013 target called for 31 percent of our employees to act as ambassadors for the company which was surpassed with a result of 33.9 percent.

Gender

As of April 2013, new targets were defined for gender distribution on the board of directors and in all management teams at NNE Pharmaplan. The board of directors strives to have at least one board member of each gender elected. Employee-selected members are not included in this target. In 2013, the board consisted of six members, where one of the non-employee-selected members was female.

With regard to gender distribution within all NNE Pharmaplan management teams, we aim to achieve a distribution that equals the general gender distribution within NNE Pharmaplan, taking local cultures into account.

In 2013, the general gender split was 35 percent female and 65 percent male. Looking at all line management positions, 28 percent of these were filled by women, which demonstrates a small gap compared with the general gender distribution of 35 percent females.

To balance global gender distribution in our management teams so that it matches the general gender distribution, NNE Pharmaplan strives to include female candidates in the recruitment process for management positions and among successors to management positions, and we try to achieve a gender distribution in our talent programmes that equals the general distribution at NNE Pharmaplan. All of these initiatives will form an integrated part of the Organisational Audit process from 2014 onwards.

Women in leading positions 2013 **28%**

Sustainability in NNE Pharmaplan's world

NNE Pharmaplan has been a member of the UN Global Compact since 2008. In 2014, we will publish our fifth Communication on Progress (COP) report, which is a sustainability report required by our UN Global Compact membership. The COP report provides a full picture of how we integrate sustainability into our business.

Sustainability in customer projects
NNE Pharmaplan's engineering and consulting services considerably impact our customers' environmental footprint and working conditions. These services are under continuous development to reduce use of resources and environmental impact. See more at http://www.nnepharmaplan.com/Capabilities/Expertise-areas/Sustainability-environment

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

Download the NNE Pharmaplan 2013 COP report at unglobalcompact.org or http://www.nnepharmaplan.com/About-us/Sustainability

Extract from the 2013 COP report
The following data on construction site accidents and our carbon footprint is a follow-up on information provided in previous annual reports. Measurement methods and further comments on results can be found in the COP report.

Safety at construction sites
Accident frequency data is recorded for NNE Pharmaplan projects where construction site health and safety management has been handled or supervised by NNE Pharmaplan. In 2013, NNE Pharmaplan managed projects in China, Switzerland, France and Denmark. Unfortunately, in Switzerland, a contractor's employee was fatally injured and died during construction work on the site of UCB Edelweiss. The cause was determined to be the negligent use and repair of an electrical tool by the person.

In general NNE Pharmaplan is below average compared to general statistics in the below countries and the frequency has decreased by almost 50 percent in Switzerland since 2012. The data for 2013 though shows an overall increase in accident frequency with 13.2 compared to 7.3 in 2012.

The figures cannot be compared as such as the countries and sites where NNE Pharmaplan has the responsibility for site safety differ from year to year. The increase has however been raised as an issue in the Community of Interest (COI) for Site Safety Management in order to pinpoint the tools that are used in the different regions for a healthy and safe construction site.

In 2014, our focus will continue to be preventive actions by training construction workers in health and safety and by involving them in initiatives to improve safety on construction sites. Members of the COI for Site Safety Management are working on a procedure to ensure that reporting follows the same guidelines in all countries.

Emissions in 2013
The table on the next page shows the greenhouse gas emissions for the last five years. In 2013, NNE Pharmaplan was able to reduce its emissions by 18 percent compared with 2012. Reductions in air travel have continued, and have been reduced by 35 percent mainly due to the increased use of Lync (instant messaging and collaborative software), which makes it easier to conduct virtual meetings across borders.

ACCIDENTS RECORDED ON CONSTRUCTION SITES DURING 2013 (NNE PHARMAPLAN EMPLOYEES AND CONTRACTORS)

Country	No. of sites	Working hours	Accidents w/absence	Frequency (no. of accidents per million worked hours)
France	6	103,400	3	29.0**
China	2	240,500	0	0.0
Denmark	10	216,919	1	4.6
Switzerland	1	350,049	8*	22.9
Belgium	0	N/A	N/A	N/A
India	0	N/A	N/A	N/A
USA	0	N/A	N/A	N/A
Total	19	910,868	12	13.2

ACCIDENTS RECORDED ON CONSTRUCTION SITES 2009 - 2013

Country	2013	2012	2011	2010	2009
France	29.0**	N/A	N/A	N/A	N/A
China	0.0	0,.0	1.7	0.3	0.0
Denmark	4.6	22.6	19.4	8.4	9.2
Switzerland	22.9	43.1	N/A	N/A	N/A
Belgium	N/A	15.6	34.1	N/A	N/A
India	N/A	0.0	2.6	2.0	N/A
USA	N/A	0.0	0,0	N/A	N/A
Total	13.2	7.3	4.3	0.9	0.6

** The number includes the death of a construction worker at the site of UCB Edelweiss.*
*** In France the number of working hours is relatively low. One or two accidents therefore cause a high impact on the frequency.*

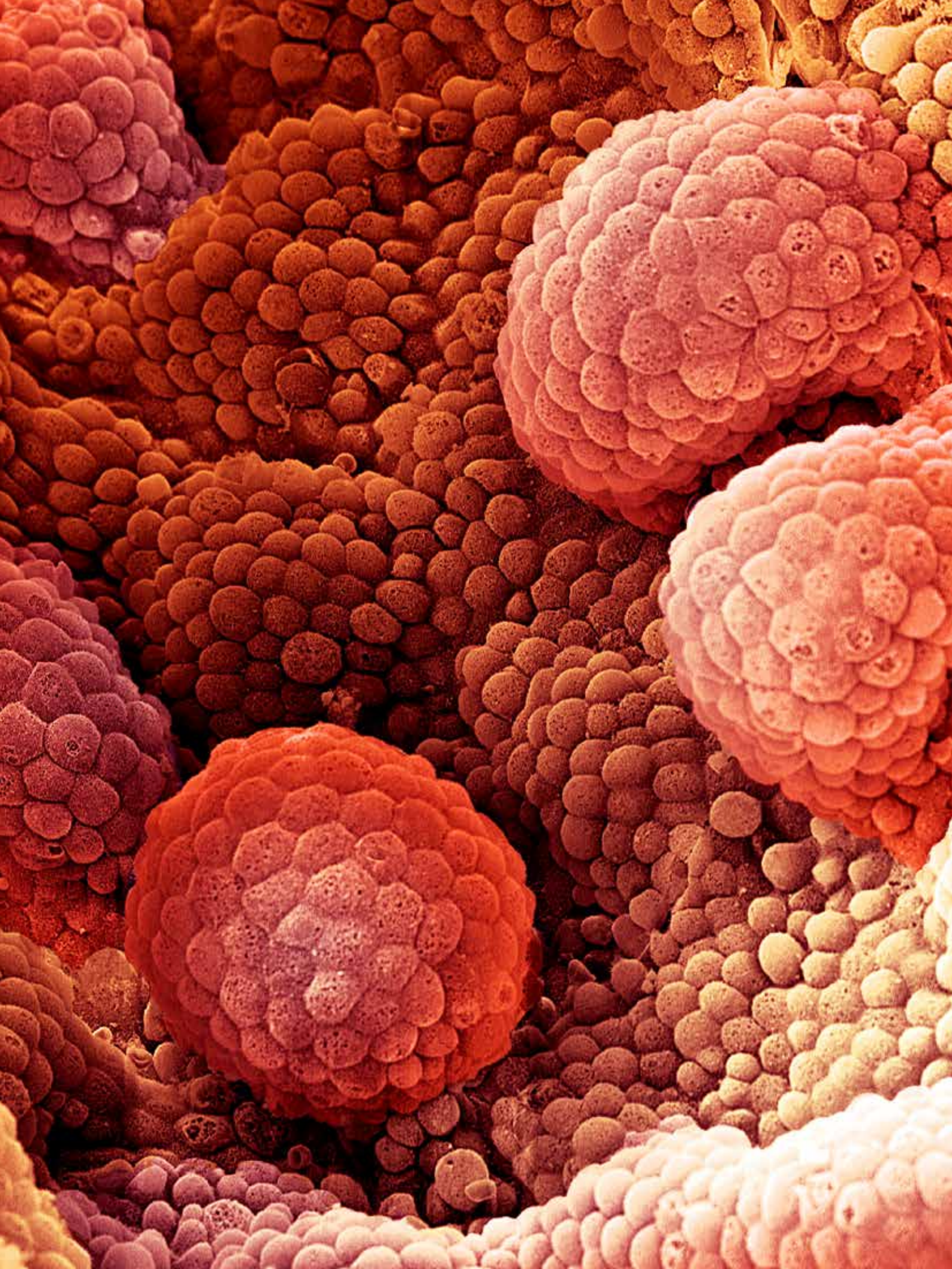
GREENHOUSE GAS EMISSIONS (TCO_2)*	2013	2012	2011	2010	2009
DIRECT EMISSIONS (SCOPE 1)					
Heating of office buildings	270	249***	363	325	335
Fugitive emissions from cooling plant	39**	5	3	4	8
Transport in company-owned cars	638	582	532	1,044	674
INDIRECT EMISSIONS (SCOPE 2)					
Purchased electricity	1,334	1,315	1,731	1,752	1,472
Purchased heating	43	46	58	66	N/A
Purchased cooling	15	15***	2	2	5
INDIRECT EMISSIONS (SCOPE 3)					
Transport in employee-owned cars	663	566	550	554	626
Transport by plane	2.833	4,337	5,191	4,715	2,672
TOTAL GREENHOUSE GAS EMISSIONS (TCO_2)	5.822	7,115***	8,430	8,462	5,792

** tCO_2 refers to tonnes of CO_2 equivalence*

Data was in complete at our small offices in the United States, so only data from the largest office in North Carolina has been included in the figures for 2013.
***The high number of fugitive emissions is due to leaks in two cooling plants in our offices in Gentofte in Denmark. The cooling plants were subsequently repaired.*
****In 2014 errors were detected in the figures for heating and purchased cooling for 2012. The correct figures should have been respectively 249 for heating of office buildings and 15 for purchased cooling giving a total greenhouse gas emission of 7,115 tCO_2.*

Travel activities are the main source of our greenhouse gas emissions – in company-owned cars, employee-owned cars or by plane. These activities account for 71 percent of total emissions.

Figures for Malaysia, Belgium and Brazil were not included in the report for 2012 due to incomplete data, but are included in the report for 2013.



CASE STORY

Boehringer Ingelheim: Biotech cGMP facility to support Chinese growth plans

Boehringer Ingelheim is building its first biotech facility in Asia. The facility is designed based on NNE Pharmaplan's Bio on demand™ concept.

Boehringer Ingelheim is one of the leading contract manufacturers of biologics worldwide, with a strong network of sites in Europe and the USA. Now the company is bringing its world-class biopharmaceutical technology to China through the establishment of a new bioscience centre in Shanghai.

The new cGMP facility will develop and small-scale manufacture monoclonal antibodies and recombinant proteins. Intended for contract manufacturing, it will provide a full range of development and clinical services to Chinese and multinational customers.

Supporting corporate and national growth plans
The greenfield project represents Boehringer Ingelheim's first biotech venture in Asia and is part of the company's strategy to establish production in China and penetrate the Asian biotech markets.

Additionally, the project represents the first market entry of any major multinational company into the Chinese biologics market. And namely biotechnology has been selected as a strategic emerging industry in China's12th five-year plan (2011-2015). RMB 12 billion have been earmarked for funding of R&D of new drugs.

Full flexibility to meet future production needs
Boehringer Ingelheim has chosen NNE Pharmaplan to execute the design of the new facility. A main objective for Boehringer Ingelheim was to leverage NNE Pharmaplan's experience in designing flexible and lean biotech facilities based on single-use technology. The design can easily accommodate future changes in product portfolio as well as future expansion, enabling the company to meet future market demand.

"The facility concept we use for the Boehringer Ingelheim project is designed for flexibility and easy expansion. It is an excellent example of the features embedded in our Bio on demand™ concept," says Niels Haxthausen, VP Global Sales and Marketing at NNE Pharmaplan.

ENTERPRISE RISK MANAGEMENT

In 2013, NNE Pharmaplan continued its dynamic approach to risk assessment. Increasing turnover from our global strategic customers required an assessment of the associated risks. NNE Pharmaplan Management, reporting to the Board of Directors, is responsible for maintaining and monitoring the systematic process of continuous risk assessment.

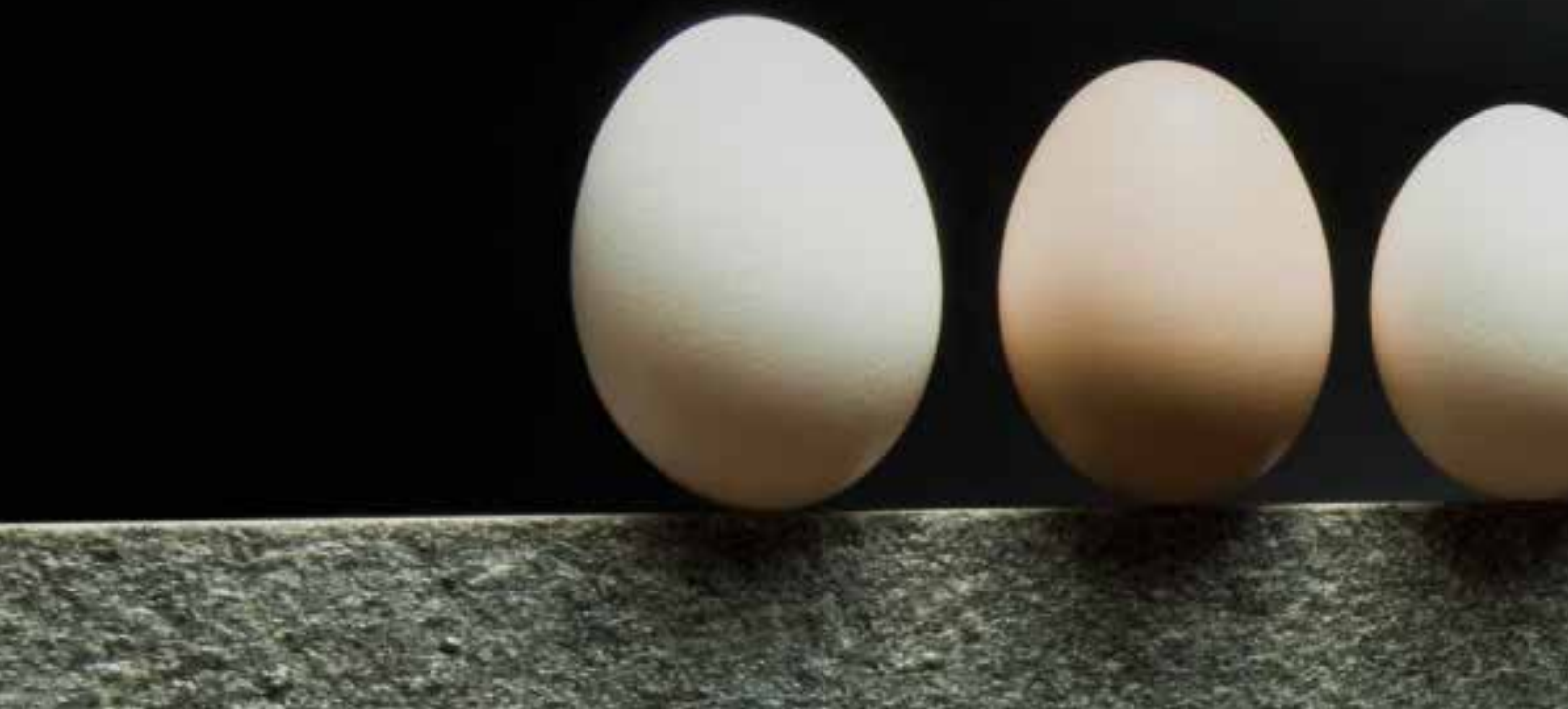
Enterprise risk management structure
At NNE Pharmaplan, we assess short-term risks on a monthly basis with emphasis on project and business risks. Long-term risks are assessed once a year when we conduct a formal review and evaluation of the potential risks in order to meet our long-term business objectives. 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 the 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 spring. For 2013, the risk assessment was anchored in NNE Pharmaplan's strategy and long-term business plan, as it addresses risks to NNE Pharmaplan's long-term strategic targets. The business plan is discussed with, and approved by NNE Pharmaplan's Board of Directors.

Global competitiveness
In 2013, our share of turnover from strategic customers increased further, and we will continue growth with these customers as part of our initiatives to build more trust-based customer relationships. This increases the predictability of our order book and provides opportunities for close dialogue with our customers.

As a larger share of NNE Pharmaplan's turnover comes from strategic customers, the company is increasingly dependent on customer investment plans. Here, NNE Pharmaplan's strategic initiative of building trust-based relationships that support long-term growth with strategic customers proves its worth, prompting us to ensure good insight and understanding of our customer's strategic priorities.

In China, high growth continues to attract a number of international companies, including engineering companies that tend to aggressively pursue a market position in the engineering market. There is a strong focus on the pharma and biotech industry, a strategic stance that supports NNE Pharmaplan's own position in the Chinese market.

Project execution
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 on a monthly basis. Global project management training has been conducted across NNE Pharmaplan affiliates during 2012 and 2013 to improve the management of projects of different scales and sizes. NNE Pharmaplan monitors project risks on a monthly basis. During 2013, a new Quality Management System – called the "Smarter Execution platform" – was established and rolled out globally, delivering improved focus on quality management in all NNE Pharmaplan processes.

Global investment climate

During 2013, the global investment climate improved, and the impact from the global recession on the pharma market was comparatively low. Pharmaceutical players maintain strong focus on quality management of their processes, in keeping with regulatory requirements from industry authorities. NNE Pharmaplan is experiencing increasing demand from the pharmaceutical industry for its expertise to support production facilities in meeting these requirements. NNE Pharmaplan's global reach results in enhanced requirements for projects to include cash planning through all phases. And a well-established finance process is required to support the assessment of a customer's credit rating, and to 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. To reduce the risk of NNE Pharmaplan employees violating business ethics or laws and regulations, NNE Pharmaplan has implemented various activities to support compliance. These activities include e-learning programmes which are mandatory in the global NNE Pharmaplan organisation. A basic programme: "Our way of doing business" and an annual refresher programme: "Doing business the right way". Both programmes are mandatory for all new employees and internal consultants. A rolling cycle has been implemented to ensure that all employees and internal consultants will complete the basic e-learning every third year and the refresher e-learning in the intervening years.

People and organisation

The complex field of pharma and biotech, combined with global competition, raises our customers' expectations regarding the experience and competence levels of the resources we make available to them. It is therefore essential that we sustain our ability to retain and develop the right number of people with the right competencies to ensure that we have sufficient highly qualified employees, also during periods of high customer demand. Our focus on development and training programmes for key employees, project management training, and the ability to transfer knowledge and tasks across regions, remains 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 followed by all NNE Pharmaplan employees. 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 . Our ultimate parent company is the Novo Nordisk Foundation.

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 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 seven to six people during 2013. The six members comprise two representatives from the parent company, two external members, and two employees elected by NNE Pharmaplan employees for a term of four years. 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 December 2013. 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 informed 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. Total remuneration for 2013 is presented in a note to the consolidated financial statements.

Risk management
In order to systematically assess the risks in our company, clear reporting lines from the organisation to the NNE Pharmaplan Management and the Board of Directors are in place. Key risks are identified and assessed on a three-year time scale. NNE Pharmaplan responds to changing market dynamics and determines 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 2013 Annual General Meeting, Pricewaterhouse-Coopers 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 the group audit plan for the year is presented and discussed. Furthermore, the auditor participates at the Board meeting when the auditor's interim long-form report is presented.

Organisation
NNE Pharmaplan Management is based at our head office in Gentofte, Denmark, except for three (out of five) regional managers who are situated 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/ Carsten Bech
7/ Stefan Berg
8/ Bob Brown Petersen
9/ Ole Spang-Hanssen
10/ Ole Regnar Hansen
11/ Kristian Pedersen

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, most recently 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. Previously, 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. Before joining the Novo Nordisk Group he worked 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 of Manager of HR Development since 2007. Iben Schmidt Helbirk comes from Novo Nordisk, where she was employed as an 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 headed several other business areas in NNE Pharmaplan, including Automation, Process Engineering. 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.

CARSTEN BECH
Corporate Vice President,
Global Sales and Business Development

Carsten Bech was appointed Corporate Vice President of Global Sales and Business Development on 1 February 2013. He returned to NNE Pharmaplan in 2012 after a period as CEO of a Danish startup company. He joined NNE Pharmaplan already in 1992, working as a project manager for several large projects. He was appointed Vice President in 2001 and was part of the NNE Pharmaplan management from 2002 to 2008. Carsten Bech holds a degree in manufacturing engineering as well as a degree in organisational development and supply chain management from Copenhagen Business School.

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. From 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-ever project. 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 a Harvard Business School alumnus after attending the Executive General Manager Program in 2008.

1 Birgit W. Nørgaard
2 Lars Fruergaard Jørgensen
3 Jens Olesen
4 Kjell Johansson
5 Nanna Bruun
6 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 its CFO from 2001 to 2003. Prior to this, Ms 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 as well as an MBA from INSEAD.

Other board memberships:
- DSV A/S
- Xilco Holding (CH) AG (Switzerland)
- Xilco (CH) AG (Switzerland)
- Lindab International AB (Sweden)
- IMI Plc (UK)
- WSP Global Inc.(Canada)
- The Stakeholder Council for Energinet.dk (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

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

Jens Olesen is Vice President for the Nordic Competencies since May 2013. Prior to this, Jens Olesen was General Manager of the Pharma & Biotech Business Unit and Manager for the mechanical and process disciplines. Jens Olesen 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.

KJELL JOHANSSON
Member of the NNE Pharmaplan Board since 2013

Kjell Johansson is Chief Operating Officer and Executive Vice President at Recipharm AB. He has been with Recipharm AB since 2011, but has been working in the pharma industry for 30 years, 24 years of which were spent with AstraZeneca, where he held various senior leadership positions in manufacturing. He holds an MSc in Chemical Engineering from the University of Lund and a BSc in Economics from the University of Stockholm.

Other board memberships:
- Recipharm Group, Chairman of all operating companies
- CCS Healthcare

NANNA BRUUN
Employee-elected member of the NNE Pharmaplan Board since 2013

Since 2002, when she joined NNE Pharmaplan, Nanna Bruun has worked in the Quality & Validation department. She holds an MA in Literature from the University of Copenhagen. She has previously held other board memberships at the Danish Association of Masters and PhDs and Amnesty International, and she is currently chairman in NPA (NNE Pharmaplan's Academic Association).

PER VALSTORP
Member of the NNE Pharmaplan Board since 2000

Per Valstorp is the former Senior Vice President of Product Supply at Novo Nordisk A/S. He joined Novo Nordisk in 1987, and has held a number of senior positions at 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, Mr 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
- Mejerigaarden A/S
- Xellia Pharmaceuticals ApS
- FEF Chemicals A/S

FINANCIAL REPORTS
Consolidated financial statements

FINANCIAL REVIEW 2013

Turnover and operating performance

In 2013, NNE Pharmaplan had a total turnover of DKK 1,837 million, which is an increase of DKK 163 million or 9.8 percent compared to 2012.

The growth in turnover was largely driven out of the Nordic region and North America. The business outside Denmark decreased from 61 percent to 52 percent in 2013 for the group as a whole. Turnover generated from customers outside the Novo Nordisk Group still remains above 50%.

The operating profit in 2013 was DKK 91 million (2012: DKK 66 million), which corresponds to an operating profit margin of 5.0 percent (2012: 3.9 percent). The strong result was driven by good project performance and a high activity level with our strategic customers.

The principal reasons for the good project performance were the result of our improved ability to deliver our projects on time, on budget and at the right level of quality. This was partly due the implementation of the "Smarter Execution" initiative, which rolls out an engineering model for best practice in project execution.

Net financials and tax

Net financials showed a loss of DKK 7 million in 2013 (2012: Loss of DKK 16 million). The net financials were negatively impacted by net foreign exchange losses of DKK 7 million. The 2012 net financials were negatively impacted by share price adjustment related to share-based payments.

Total tax for the year was an expense of DKK 27 million (2012: Expense of DKK 14 million). The income taxes for the year were mainly impacted by non-deductible expenses, unrealised tax loss carry-forward, adjustment to prior year and deviations in foreign subsidiaries' tax rates compared to Danish tax rate.

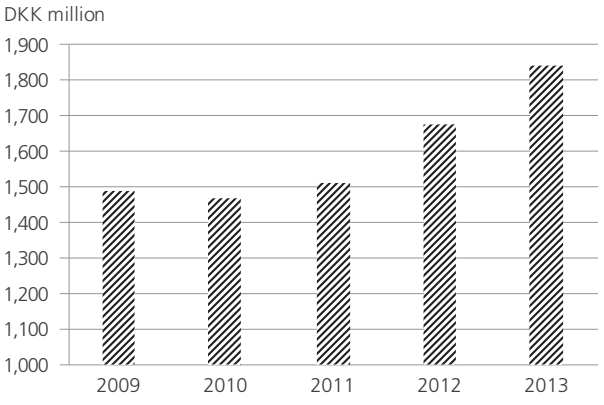
Net profit

The net profit was DKK 57 million, an increase of DKK 22 million compared to 2012. This is due to an increase in operating profit of DKK 26 million, a decrease in net financial expenses of DKK 9 million and an increase in income taxes of DKK 13 million.

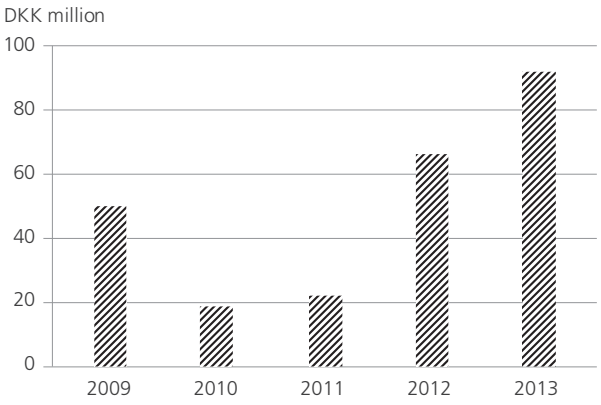
Balance sheet

The total assets as at 31 December 2013 amounted to DKK 765 million, an increase of DKK 58 million compared to 2012.

TURNOVER



OPERATING PROFIT



Available-for-sale financial assets increased by DKK 18 million relating to purchase of Novo Nordisk shares to be used as hedging of cash flow when the shares are transferred to the employees.

The trade receivables and receivables from related parties increased in 2013 by DKK 34 million to DKK 317 million and are mainly explained by an increase in receivables from related parties where the average credit period has decreased by 1 day to 59 days. The cash in bank and on hand increased by DKK 29 million. Other assets decreased with DKK 9 million.

Fixed-price projects as well as current account projects decreased the work in progress by DKK 14 million and payment on account for work in progress decreased by DKK 39 million (net increase of DKK 25 million). The average period before invoicing work in progress increased to 11 days (2012: 8 days).

The total liabilities has decreased by DKK 20 million to DKK 530 million in 2013, primarily explained by a decrease in payments on account for work in progress of DKK 39 million and a decrease in provisions of DKK 19 million. This is countered by an increase in retirement benefit obligations of DKK 5 million, trade payables of DKK 7 million, tax payables of DKK 4 million and other liabilities of DKK 21 million.

The 2013 equity increased by DKK 79 million to DKK 235 million. The increase in the equity is primarily explained by the net profit for the year DKK 57 million and capital grant of DKK 24 million. The solvency ratio was 30.7 percent (2012: 22.1 percent) by the end of December 2013.

Cash flow

The net change in cash and cash equivalents in 2013 is DKK 31 million (2012: DKK 49 million). Compared to 2012 the change is caused by a higher operating profit and higher payables. However more then countered by changes in receivables, Work in Progress and investment activities (purchase of Novo Nordisk shares) influenced the cash flow negatively.

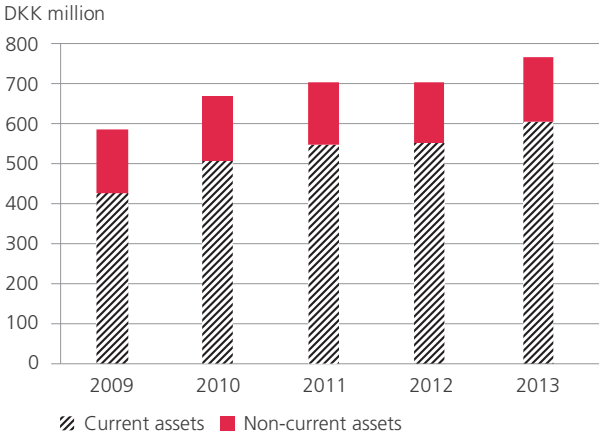
Proposed dividend

The Board of Directors proposes a dividend for the year of DKK 15 million (2012: DKK 0 million). This proposal will be submitted for adoption by the Annual General Meeting.

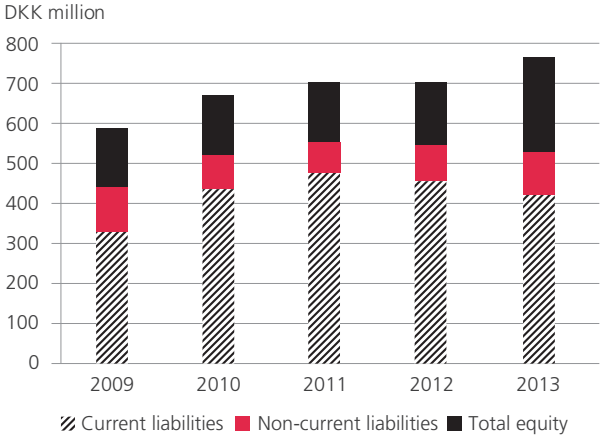
Post-balance-sheet events

No events have occurred after the end of the financial year with significant impact on the Company's financial position at 31 December 2013.

ASSETS



EQUITY AND LIABILITIES



FINANCIAL HIGHLIGHTS AND RATIOS FOR NNE PHARMAPLAN GROUP

Financial Highlights (DKK 1,000)

	2013	2012	2011	2010	2009
Income Statement					
Turnover	1,836,691	1,673,452	1,504,273	1,466,356	1,487,651
Operating profit	91,475	65,688	22,334	18,467	49,680
Net financials	(7,021)	(15,985)	(5,891)	(11,076)	(16,321)
Profit/(loss) before income taxes	84,454	49,703	16,443	7,391	33,359
Net profit/(loss)	57,439	35,294	1,139	5,529	19,072
Proposed dividend to shareholders	15,000	-	-	-	-
Assets					
Non-current assets	163,493	154,905	156,554	163,362	162,605
Current assets	601,704	552,032	549,218	508,024	426,253
Total assets	765,197	706,937	705,772	671,386	588,858
Capital expenditure net	6,283	(426)	10,932	4,518	5,272
Equity and liabilities					
Equity	235,087	156,352	147,948	146,643	140,921
Non-current liabilities	103,841	93,238	76,702	87,959	118,846
Current liabilities	426,269	457,347	481,122	436,784	329,091
Total equity and liabilities	765,197	706,937	705,772	671,386	588,858
Cash flow statement					
Cash flow from operating activities	54,879	85,566	53,527	208	104,941
Cash flow from investing activities	(23,447)	426	(10,932)	(4,518)	(5,272)
Cash flow from financing activities	-	(36,763)	(17,693)	(38,807)	(29,793)
Net change in cash and cash equivalents	31,432	49,229	24,902	(43,117)	69,876
Financial ratios					
Operating profit margin (EBIT margin)	5.0%	3.9%	1.5%	1.3%	3.3%
Profit margin before tax	4.6%	3.0%	1.1%	0.5%	2.2%
Return on equity	29.3%	23.2%	0.8%	3.8%	14.2%
Solvency ratio	30.7%	22.1%	21.0%	21.8%	23.9%
Payout ratio	26.1%	-	-	-	-
Dividend per share (DKK 1,000)	30	-	-	-	-
Number of employees at end of year (FTE)	1,754	1,659	1,668	1,649	1,579
Number of internal consultants at end of year	266	209	203	172	144
Number of employees and internal consultants end of year	2,020	1,868	1,871	1,821	1,723

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

CONSOLIDATED – INCOME STATEMENT

(DKK 1,000)

	Note	2013	2012
Turnover	2	1,836,691	1,673,452
Cost of projects	3,4	(1,537,222)	(1,405,510)
Gross profit		**299,469**	**267,942**
Sales and distribution costs	3,4	(76,491)	(75,587)
Administrative costs	3,4	(131,503)	(126,667)
Operating profit		**91,475**	**65,688**
Financial income	5	5,335	6,840
Financial expenses	6	(12,356)	(22,825)
Profit before income taxes		**84,454**	**49,703**
Income taxes	7	(27,015)	(14,409)
Net profit for the year		**57,439**	**35,294**

CONSOLIDATED – STATEMENT OF COMPREHENSIVE INCOME

Net profit for the year	**57,439**	**35,294**
Items that will not be reclassified subsequently to the Income statement:		
Remeasurements on defined benefit plans	(1,111)	(22,305)
Gains on revaluation of Land and buildings	-	(1,516)
Income tax relating to items that will not be reclassified subsequently	2,628	3,466
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	(1,619)	161
Remeasuring of available for sale financial assets	(2,243)	(6,692)
Other comprehensive income for the year, net of tax	**(2,345)**	**(26,890)**
Total comprehensive income for the year	**55,094**	**8,404**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2013	2012
Assets			
Intangible assets	8, 9	69,857	74,100
Property, plant and equipment	10	15,269	17,246
Investments	11	6,319	8,562
Deferred income tax assets	18	51,859	53,624
Financial assets	12, 24	18,172	-
Other financial assets		2,017	1,373
Total non-current assets		**163,493**	**154,905**
Work in progress	13	110,979	125,324
Trade receivables	14	193,827	188,578
Receivables from related parties	24	123,284	94,096
Tax receivables	19	5,209	3,381
Other receivables and prepayments	15	33,453	34,227
Cash at bank and on hand		134,952	106,426
Total current assets		**601,704**	**552,032**
Total assets		**765,197**	**706,937**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2013	2012
Equity and liabilities			
Share capital	16	500	500
Retained earnings		237,082	154,200
Other reserves		(2,495)	1,652
Total equity		**235,087**	**156,352**
Deferred income tax liabilities	18	1,748	2,734
Retirement benefit obligations	21	80,644	75,146
Provisions	20	21,449	15,358
Total non-current liabilities		**103,841**	**93,238**
Payments on account for work in progress	13	46,104	84,742
Trade payables		46,827	39,816
Short-term borrowing		2,680	2,867
Payables to related parties	24	3,765	3,888
Tax payables	19	14,988	10,519
Other liabilities	17	308,490	287,425
Provisions	20	3,415	28,090
Total current liabilities		**426,269**	**457,347**
Total liabilities		**530,110**	**550,585**
Total equity and liabilities		**765,197**	**706,937**
Commitments and contingencies	22		
Other notes	23-29		

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

(DKK 1,000)

	Note	2013	2012
Operating activities			
Operating profit		**91,475**	**65,688**
Reversals with no effect on cash flow	26	21,972	29,065
(Increase)/decr. in trade receivables, work in progress and prepayments etc		(66,204)	39,663
Increase/(decr.) in trade payables and other payables etc		37,344	(10,578)
Cash flow from operating activities before financials		**84,587**	**123,838**
Financial income	5	5,335	6,840
Financial expenses	6	(12,356)	(22,825)
Cash flow from operating activities before tax		**77,566**	**107,853**
Income taxes paid	19	(22,687)	(22,287)
Cash flow from operating activities		**54,879**	**85,566**
Investments			
Purchase of shares in Novo Nordisk A/S	12	(17,164)	-
Purchase of intangible and tangible assets (net)		(6,283)	426
Cash flow from investing activities		**(23,447)**	**426**
Financing			
Share-based payments		(23,641)	(8,566)
Repayment of loan to Novo Nordisk A/S		-	(28,197)
Capital grant from Novo Nordisk A/S	24	23,641	-
Cash flow from financing activities		**-**	**(36,763)**
Net change in cash and cash equivalents		**31,432**	**49,229**
Cash and cash equivalents at the beginning of the year		103,559	54,074
Unrealised gain/(loss) on exchange rate on cash and cash equivalents		(2,719)	256
Cash and cash equivalents at the end of the year		**132,272**	**103,559**
Net cash and cash equivalents at the end of the year:			
Cash at bank and on hand		80,833	74,788
Short-term borrowing		(2,680)	(2,867)
Cash Pool	24	54,119	31,638
Cash and cash equivalents at the end of the year		**132,272**	**103,559**
Cash and cash equivalents at the end of the year		132,272	103,559
Maximum drawing facility, including Cash Pool arrangement with the Novo Nordisk Group		**105,905**	**103,945**
Financial ressources at the end of the year		**238,177**	**207,504**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

			Other reserves		
2013	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Adjustments and exchange rate etc**	**Total**
Balance at the beginning of the year	**500**	**154,200**	**1,422**	**230**	**156,352**
Profit for the period	-	57,439	-	-	57,439
Other comprehensive income	-	1,517	-	(3,862)	(2,345)
Total comprehensive income		**58,956**	**-**	**(3,862)**	**55,094**
Transactions with owners, recognised directly in equity:					
Capital grant	-	23,641	-	-	23,641
Dividend	-	-	-	-	-
Options exercised	-	285	(285)	-	-
Balance at the end of the year	**500**	**237,082**	**1,137**	**(3,632)**	**235,087**

			Other reserves		
2012	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Adjustments and exchange rate 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**

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 86-95, 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 2013 is DKK 64.9 million (2012: DKK 40.6 million). Please refer to note 13 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 2013 was DKK 61.5 million (2012: DKK 61.7 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 2013 was DKK 3.9 million (2012: DKK 5.3 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 2013 was DKK 0 million (2012: DKK 1.1 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 6.8 million at 31 December 2013 (2012: DKK 4.9 million). Please refer to note 14 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 51.9 million (2012: DKK 53.6 million) and DKK 1.7 million (2012: DKK 2.7 million) respectively at 31 December 2013.

The tax value of a tax loss of DKK 63.3 million (2012: DKK 47.4 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 18 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.

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 2013. 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 2013 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 costs 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 recognized 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
- Financial assets at fair value through the income statement

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.

Financial assets at fair value through the income statement
Financial assets at fair value through the income statements are at initial recognition irrevocably designated as measured at fair value though profit and loss in order to order to eliminate recognition inconsistency between financial assets and the financial liability which it is designated to hedge.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

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
In a few countries, the Group still operates defined benefit plans primarily located in Germany and Switzerland. The Group contributions to the defined contribution plans are charged to the Income statement in the year to which they relatedThe 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.

Share-based payment/Incentives
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 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, 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.

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 shares/options that are expected to become deliverable/exercisable. The Group recognises the impact of the revision of the original estimates, if any, in the Income statement, and a corresponding adjustment to liability/equity over the remaining vesting period. Adjustments relating to prior years are included in the Income statement in the year of adjustment.

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	$\frac{\text{Operating profit x 100}}{\text{Turnover}}$
Profit margin before tax	$\frac{\text{Profit before tax x 100}}{\text{Turnover}}$
Return on equity	$\frac{\text{Net profit x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Payout ratio	$\frac{\text{Total dividend x 100}}{\text{Net profit}}$
Dividend per share	$\frac{\text{Dividend}}{\text{Number of shares}}$

Financial definitions

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

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 2 Turnover		
Sales value of completed contracts during the year	1,263,175	1,646,835
Sales value of other service sales	110,428	98,905
Sales value of work in progress, end of year	2,376,290	1,913,202
Sales value of work in progress, beginning of year	(1,913,202)	(1,985,490)
Total	**1,836,691**	**1,673,452**

Turnover consists of 47% (38% in 2012) to companies in the Novo Nordisk Group, 3% (5% in 2012) to the Novozymes Group and 50% (57% in 2012) to other customers. The distribution is 48% (39% in 2012) in Denmark and 52% (61% in 2012) abroad.

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

Note 3 Employee costs		
Wages and salaries	836,480	799,633
Pensions defined contribution plans	82,507	77,932
Pensions defined benefit plans (note 21)	8,988	7,929
Share-based payment costs (note 25)	3,458	5,925
Other social security contributions	46,306	42,521
Other employee costs	44,620	45,512
Total	**1,022,359**	**979,452**
Included in the Income statement under the following headings:		
Cost of projects	884,616	844,286
Sales and distribution costs	43,145	46,225
Administrative costs	94,598	88,941
Total	**1,022,359**	**979,452**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 3 Employee costs (continued)		
Average number of full-time employees	1,725	1,637
At the end of the year the Group had 1,754 full time employees compared to 1,659 at year end 2012.		
Management's remuneration and share-based payments:		
Fees to Board of Directors	924	908
Salary, cash bonus etc. to Executive Management	3,009	4,405
Pension contribution to Executive Management	661	856
Share-based payment to Executive Management (note 25)	832	647
Salary, cash bonus etc to NNE Pharmaplan Management	18,473	18,903
Pension contribution to NNE Pharmaplan Management	1,396	1,377
Share-based payment to NNE Pharmaplan Management	1,837	1,720
Total	**27,132**	**28,816**

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.

Note 4 Depreciation, amortisation and impairment losses		
Depreciation and amortisation are derived from:		
Intangible assets	4,940	5,643
Property, plant and equipment	6,693	5,518
Total	**11,633**	**11,161**
Included in the Income statement under the following headings:		
Cost of projects	9,875	9,746
Sales and distribution costs	367	321
Administrative costs	1,391	1,094
Total	**11,633**	**11,161**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 5 Financial income		
Interest income on short-term bank deposits	174	165
Other financial income	436	27
Unrealised capital gains on shares	1,008	-
Unrealised/realised capital gains on provisions (share-based payment, note 20)	786	-
Unrealised/realised foreign exchange gains	2,931	6,648
Total	**5,335**	**6,840**

Note 6 Financial expenses		
Interest expenses on loans to related parties (note 24)	-	369
Interest expenses bank borrowings	-	333
Other interest expenses	37	175
Unrealised/realised capital loss on provisions	-	11,254
Unrealised/realised foreign exchange loss	10,169	6,915
Other financial expenses	2,150	3,779
Total	**12,356**	**22,825**

Note 7 Income taxes		
Current tax on profit for the year (note 19)	23,728	28,264
Deferred tax on profit for the year (note 18)	(3,311)	(7,790)
Tax on profit for the year	**20,417**	**20,474**
Adjustments related to previous years – deferred tax (note 18)	5,843	(5,063)
Adjustments related to previous years – current tax (note 19)	755	(1,002)
Total	**27,015**	**14,409**

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	(2.7%)	(0.4%)
Adjustments to deferred tax assets	0.0%	(10.9%)
Non-tax income less non-tax deductible expenses	2.7%	3.1%
Tax loss carry-forward, not booked	2.9%	7.9%
Changes in tax rate from 2012 to 2013	0.8%	(1.8%)
Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate	3.3%	6.0%
Effective tax rate	**32.0%**	**28.9%**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 7 Income taxes (continued)		
Tax on other comprehensive income for the year (income)/expenses	2,628	3,466
Income taxes paid		
Income taxes paid in Denmark	13,689	7,203
Income taxes paid outside Denmark	8,998	15,084
Total income taxes paid	**22,687**	**22,287**

Note 8 Intangible assets

2013	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Total
Cost at 1 January	61,746	979	25,338	5,477	13,164	50,553	157,257
Additions during the year	-	-	-	-	-	987	987
Disposals during the year	-	-	-	-	-	-	-
Exchange rate adjustments	(208)	(24)	1	1	-	(275)	(505)
Cost at 31 December	**61,538**	**955**	**25,339**	**5,478**	**13,164**	**51,265**	**157,739**
Depreciation and impairment losses at 1 January	-	823	24,257	4,139	7,902	46,036	83,157
Depreciation for the year	-	49	1,082	370	1,317	2,122	4,940
Disposals during the year	-	-	-	-	-	-	-
Exchange rate adjustments	-	(16)	-	-	-	(199)	(215)
Depreciation and impairment losses at 31 December	-	**856**	**25,339**	**4,509**	**9,219**	**47,959**	**87,882**
Carrying amount at 31 December	**61,538**	**99**	**-**	**969**	**3,945**	**3,306**	**69,857**

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**

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	
	2013	2012	2013	2012	2013	2012
Carrying amount of goodwill	**56,971**	**56,971**	**4,567**	**4,775**	**61,538**	**61,746**

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 6.6% (2012: 6.7%). The average operating profit margin is 4 to 8% (2012: 3 to 7%). The growth rate used to extrapolate the cash flows of the Pharmaplan Group beyond the five-year period is 0% (2012: 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 6.6% (2012: 6.7%). The average operating profit margin is -4 to 2% (2012: 4 to 8%). The growth rate used to extrapolate the cash flows of NNE Pharmaplan Inc. beyond the five-year period is 0% (2012: 0%).

NOTES – CONSOLIDATED

(DKK 1,000)

Note 10 Property, plant and equipment

2013	Land and buildings	Leasehold improvements	Other equipment	Total
Cost at 1 January	-	8,456	65,723	74,179
Additions during the year	-	183	5,470	5,653
Disposals during the year	-	(168)	(3,400)	(3,568)
Exchange rate adjustments	-	(281)	(860)	(1,141)
Cost at 31 December	**-**	**8,190**	**66,933**	**75,123**
Depreciation and impairment losses at 1 January	-	3,106	53,827	56,933
Depreciation for the year	-	1,565	5,128	6,693
Disposals during the year	-	(168)	(2,697)	(2,865)
Exchange rate adjustments	-	(170)	(737)	(907)
Depreciation and impairment losses at 31 December	**-**	**4,333**	**55,521**	**59,854**
Carrying amount at 31 December	**-**	**3,857**	**11,412**	**15,269**
Financially leased assets amount to	**-**	**-**	**241**	**241**

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

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.

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 11 Investments		
Value at 1 January	8,562	15,254
Fair value and exchange rate adjustments	(2,243)	(6,692)
Value at 31 December	**6,319**	**8,562**

Investments relate to shares in Abu Dhabi Medical Devices Company Ltd. of DKK 6 million (2012: DKK 9 million).

Note 12 Financial assets		
Fair value at the end of the year	**18,172**	**-**
Orginal acquisition cost	17,164	-
Total number of shares	91,410	-
Non-Current	**18,172**	**-**
Current	-	-
Total	**18,172**	**-**

The share portfolio consists of shares in Novo Nordisk A/S. These share hedges the share base payment.

Note 13 Work in progress and payments on account for work in progress		
Current account contracts		
Work in progress	1,854,332	1,317,290
Prepayments on account	(1,800,565)	(1,262,689)
Total	**53,767**	**54,601**
Fixed-price contracts		
Work in progress	521,958	595,912
Prepayments on account	(510,850)	(609,931)
Total	**11,108**	**(14,019)**
Total	**64,875**	**40,582**

Classified in the balance as shown below:

	Current account	Fixed-price	Total	Total
Current assets	66,501	44,478	110,979	125,324
Current liabilities	(12,734)	(33,370)	(46,104)	(84,742)
Total	**53,767**	**11,108**	**64,875**	**40,582**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 14 Trade receivables		
Trade receivables (gross)	**200,603**	**193,450**
Allowance for doubtful trade receivables:		
Balance at the beginning of the year	(4,872)	(4,944)
Change in allowance during the year	(3,087)	(2,442)
Realised losses during the year	744	2,452
Exchange rate adjustments	439	62
Balance at the end of the year	**(6,776)**	**(4,872)**
Trade receivables (net)	**193,827**	**188,578**
Trade receivables (net) can be specified as follows:		
Neither past due nor impaired	130,351	112,393
Past due:		
Between 1 and 90 days	48,519	71,016
Between 91 and 180 days	12,979	2,460
Between 181 and 270 days	1,356	841
Between 271 and 360 days	236	1,718
More than 360 days	386	150
Trade receivables (net)	**193,827**	**188,578**

Historically the Group has only had minor losses on trade receivables.

Note 15 Other receivables and prepayments		
Prepaid rent	532	730
Prepaid IT costs	2,780	2,222
Other prepaid costs	10,375	10,345
Accrued income	1,632	5,171
Deposits	6,457	6,250
Employee costs	2,084	2,233
Other receivables	9,593	7,276
Total	**33,453**	**34,227**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 16 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 1 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 17 Other liabilities		
Employee costs payable	198,271	192,853
VAT, taxes and other contributions to social security	23,127	15,965
Accruals	75,375	73,029
Financial lease commitments	281	255
Other payables	11,436	5,323
Total	**308,490**	**287,425**

Liabilities are all payables within one year

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)

	2013	2012
Note 18 Deferred tax assets/Deferred tax liabilities		
At the beginning of the year	50,890	34,687
Deferred tax on profit for the year (note 7)	3,311	7,790
Adjustments related to previous years (note 7)	(5,843)	5,063
Deferred tax on items recognised in Other comprehensive income	2,628	3,466
Exchange rate adjustments	(875)	(116)
Total deferred tax asset/liabilities (net)	**50,111**	**50,890**

2013	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	545	7,172	245	27,457	26,062	810	(8,667)	53,624
Deferred tax liability at 1 January	(2,640)	(12)	(7,993)	-	(92)	(664)	8,667	(2,734)
Net deferred tax asset/(liability) at 1 January	**(2,095)**	**7,160**	**(7,748)**	**27,457**	**25,970**	**146**	**-**	**50,890**
Exchange rate adjustments	(75)	(60)	(263)	(208)	51	(318)	-	(873)
Income/(charge) to the Income statement	1,613	(2,292)	11,955	(4,584)	(9,780)	555	-	(2,533)
Other comprehensive income	-	-	-	-	2,627	-	-	2,627
Deferred tax asset/(liability) at 31 December	**(557)**	**4,808**	**3,944**	**22,665**	**18,868**	**383**	**-**	**50,111**
Specified as follows:								
Deferred tax asset at 31 December	1,190	4,814	5,973	22,665	18,868	685	(2,336)	51,859
Deferred tax liability at 31 December	(1,747)	(6)	(2,029)	-	-	(302)	2,336	(1,748)
Net deferred tax asset/(liability) at 31 December	**(557)**	**4,808**	**3,944**	**22,665**	**18,868**	**383**	**-**	**50,111**

Tax losses carried forward

The tax value of tax losses carried forward of DKK 63.3 million (2012: DKK 47.4 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 million expires within one year, DKK 2 million between 2-5 years and DKK 61.3 million after more than five years.

NOTES – CONSOLIDATED

(DKK 1,000)

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**

Note 19 Tax receivables/tax payables	**2013**	**2012**
At the beginning of the year	(7,138)	(2,115)
Corporation tax paid during the year	22,263	210
Prepaid tax	424	22,077
Adjustments related to previous years (note 7)	(755)	1,002
Current tax for the year (note 7)	(23,728)	(28,264)
Exchange rate adjustments	(844)	(48)
Total tax receivables/(tax payables)	**(9,778)**	**(7,138)**
Classified in the balance as shown below:		
Current assets	5,209	3,381
Current liabilities	(14,988)	(10,519)
Total	**(9,779)**	**(7,138)**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 20 Provisions		

NNE Pharmaplan gives 1-5 years' warranties on certain deliverables and thus has an obligation to rectify or replace deliverables 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 8 years and is based on management's best estimate.
Other provisions consists of various types of provisions and severance pay etc.

	Warranties	Long-term employee benefits	Dilapidation	Long-term incentive programme	Other	Total	Total
Provisions at 1 January	1,098	6,498	2,682	31,889	1,281	43,448	37,393
Additions during the year	1,447	364	775	5,184	1,215	8,985	8,680
Unused amounts reversed	(552)	(153)	-	(1,726)	-	(2,431)	(2,094)
Used during the year	(215)	(35)	-	(23,641)	(232)	(24,123)	(11,722)
Value adjustment	-	-	-	(786)	-	(786)	11,254
Exchange rate adjustments	(3)	(116)	(54)	-	(56)	(229)	(63)
Provisions at 31 December	**1,775**	**6,558**	**3,403**	**10,920**	**2,208**	**24,864**	**43,448**
Specification of provisions:							
Current provisions						3,415	28,090
Non-current provisions						21,449	15,358
Total						**24,864**	**43,448**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012

Note 21 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.

	Germany	Switzerland	Other	Total	Total
Retirement benefit obligations					
Beginning of the year	57,907	51,315	308	109,530	78,805
Current service cost	1,843	4,474	170	6,487	5,637
Interest cost	2,171	1,085	-	3,256	3,064
Remeasurements (gains)/losses [1]	(2,253)	2,977	-	724	25,003
Benefits paid to employees	(807)	335	-	(472)	(5,877)
Other	-	2,553	-	2,553	2,264
Exchange rate adjustments	-	(747)	-	(747)	634
At the end of the year	**58,861**	**61,992**	**478**	**121,331**	**109,530**

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

Fair value of plan assets of the year:					
Beginning of the year	-	34,076	308	34,384	30,523
Interst income	-	734	-	734	765
Remeasurements gains/(losses)	-	(387)	-	(387)	2,698
Employer contributions	-	3,394	170	3,564	3,243
Benefits paid to employees	-	335	-	335	(5,406)
Other	-	2,553	-	2,553	2,263
Exchange rate adjustments	-	(496)	-	(496)	298
At the end of the year	**-**	**40,209**	**478**	**40,687**	**34,384**

Net retirement benefit obligations at the end of the year (unfunded)	**58,861**	**21,783**	**-**	**80,644**	**75,146**

The amounts recognised in the balance sheet for post-employment defined benefit plans are reported as non-current.

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 21 Retirement benefit obligations (continued)		
Net retirement obligations recognised in the Balance sheet:		
At the beginning of the year	75,146	48,421
Remeasurements recognised in statement of the comprehensive income	1,111	22,305
Recognised in the Income statement	8,988	7,929
Employeer contributions	(3,564)	(3,243)
Benefit paid to employees, net	(807)	(471)
Exchange rate adjustments	(230)	205
At the end of the year	**80,644**	**75,146**
Costs recognised in the Income statement for the year		
Current service cost	6,487	5,637
Interest cost on pension obligation	3,256	3,064
Remeasurements (gains)/losses	(734)	(765)
Interest income	-	-
Exchange rate adjustments	(21)	(7)
Past service cost	-	-
Total expenses included in employee costs	**8,988**	**7,929**
Cost recognised on Other comprehensive income		
Remeasurements (gains)/losses	1,111	22,305
Total	**1,111**	**22,305**
Included in the Income statement under employee costs under the following headings:		
Cost of projects	7,902	6,933
Sales and distribution costs	373	344
Administrative costs	713	652
Total	**8,988**	**7,929**

The Group expects to contribute DKK 8.3 million to its defined benefit pension plans in 2014 (2013: DKK 7.1 million).
It is not expected that the contribution over the next five years will differ significantly from current contributions.

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 21 Retirement benefit obligations (continued)		
Weighted average asset allocation of funded retirement obligations		
Equities	19%	21%
Bonds	36%	45%
Property	24%	20%
Cash	10%	6%
Other	11%	8%
Assumptions used for valuation		
Discount rate	3%	3%
Projected return on plan assets	2%	2%
Projected future remuneration increases	0%	0%
Inflation rate	0%	1%

For all major defined benefit plans actuarial computations and valuations are performed annually. Assumptions regarding future mortality are based on actuarial advice in accordance with published statistics and experience in each country.

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.

	1 %-point increase	1 %-point decrease
Discount rate	22,194	(24,451)
Future remuneration	(4,786)	4,552

The sensitivities above consider the single change shown with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (although this is not always the case).

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 22 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 48.8 million in 2013 and DKK 50.3 million in 2012. Approximately 34% (2012: 30%) 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, United Kingdom. This leasing is non-cancellable for 13 years for NNE Pharmaplan.		
Lease commitments are expiring within the following periods as from the end of the reporting period:		
Within one year	45,383	46,828
Between one and two years	33,254	34,458
Between two and three years	25,970	22,561
Between three and four years	22,603	20,534
Between four and five years	18,820	19,114
After five years	47,864	63,460
Total	**193,894**	**206,955**
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:		
Within one year	16,028	42,879
Between one and two years	12	1,487
Between two and three years	14	71
Between three and four years	-	-
Between four and five years	-	-
Total	**16,054**	**44,437**
Guarantees		
Bank guarantees	40,374	39,545
Total	**40,374**	**39,545**

Bank guarantees are guarantees that the main bank of NNE Pharmaplan Group has issued towards other banks NNE Pharmaplan are using or toward NNE Pharmaplan 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)

	2013	2012
Note 23 Fees to statutory auditors		
Statutory audit fee to PwC	2,430	2,654
Audit-related services	203	184
Tax advisory services	200	146
Total	**2,833**	**2,984**

Note 24 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:

Value of services sold		
The Novo Nordisk Group	860,608	638,384
The Novozymes Group	47,827	86,340
Novo A/S	995	-
Xellia Pharmaceuticals ApS	921	-
Total	**910,351**	**724,724**
Value of services acquired		
The Novo Nordisk Group	23,614	25,467
Total	**23,614**	**25,467**
Financial income		
The Novo Nordisk Group (dividend received)	329	-
Total	**329**	**-**
Financial expenses		
The Novo Nordisk Group	-	369
Total	**-**	**369**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012
Note 24 Transactions with related parties (continued)		
Receivables		
The Novo Nordisk Group	108,821	77,161
The Novozymes Group	14,296	16,935
Xellia Pharmaceuticals ApS	167	-
Total	**123,284**	**94,096**
Cash and Cash Equivalents		
The Novo Nordisk Group	54,119	31,638
Total	**54,119**	**31,638**
Payables		
The Novo Nordisk Group	3,692	3,750
The Novozymes Group	73	138
Total	**3,765**	**3,888**
Shares Novo Nordisk A/S		
Non-current	18,172	
Current	-	-
Total	**18,172**	**-**
Grants to NNE Pharmaplan A/S		
Novo Nordisk A/S	23,641	-
Total	**23,641**	**-**

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)

	2013	2012
Note 25 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.		
Long-term share-based incentive programme	3,458	5,925
Total cost of share-based payment for the year	**3,458**	**5,925**
Included in the Income statement under the following headings:		
Cost of projects	3,041	5,181
Sales and distribution costs	143	257
Administrative costs	274	487
Total	**3,458**	**5,925**
This amount can be specified as follow:		
Executive Management	832	647
Other employees	2,626	5,278
Total	**3,458**	**5,925**
Financial income/(expenses), realised and unrealised loss (note 5, 6)	786	(11,254)
The liability of the long-term share-based incentive programme	**10,920**	**31,888**

NOTES – CONSOLIDATED

(DKK 1,000)

	2013	2012

Note 25 Share-based payment schemes (continued)

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 2013.

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 share options value at year-end	**2013**	**2012**
Expected life of the right in years (average)	1	1
Expected volatility (based on one-year historical volatility)	21%	21%
Expected dividend per share (in DKK)	4.5	3.6
Risk-free interest rate (based on Danish Government bonds)	0.14%	0%
Novo Nordisk B share price at 31 December	198.8	183.3

The trading unit of the Novo Nordisk B shares listed on the stock exchange in Copenhagen has changed from DKK 1 to DKK 0.20. These changes took place as of 2 January 2014 and are incorporated.

Note 25 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 2013	-	173,250	173,250	34	24,691
Granted in 2013	-	-	-	-	-
Exercised in 2013	-	(38,750)	(38,750)	33	(5,610)
Value adjustment	-	-	-	-	2,518
Outstanding at 31 December 2013	**-**	**134,500**	**134,500**	**34**	**21,599**
Outstanding at 1 January 2012	-	496,000	496,000	32	47,593
Granted in 2012	-	-	-	-	-
Exercised in 2012	-	(322,750)	(322,750)	30	(31,544)
Value adjustment	-	-	-	-	8,642
Outstanding at 31 December 2012	**-**	**173,250**	**173,250**	**34**	**24,691**

	Issued share options number	Exercised share options number	Outstanding exercisable share options number	Exercise price (DKK)	Exercise period
Share option plan for 2005	479,670	(460,920)	18,750	30.6	31/1 2009 - 30/1 2014
Share option plan for 2006	663,430	(547,680)	115,750	35.0	31/1 2010 - 30/1 2015
Exercisable share option plan at 31 December 2013	**1,143,100**	**(1,008,600)**	**134,500**		

	2013	2012
Note 26 Reversals with no effect on the cash flow		
Depreciation, including gain and loss on fixed assets sold	12,109	8,663
Change in provisions	5,058	16,075
Change in pensions etc	4,805	4,327
Total	**21,972**	**29,065**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 27 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	2013	2012
USD	0.1	0.2
CNY	1.3	2.4

Net investments in US, China, France, Germany, Sweden, Ireland, Belgium, Brazil and Hong Kong amounts to a total of DKK 96.8 million (2012: DKK 39.1 million).

DKK million	2013	2012
EUR	18.5	11.1
USD	8.9	(34.3)
CNY	61.2	53.3
SEK	8.8	8.2
BRL	(0.3)	0.8
HKD	(0.4)	-

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 132.3 million (2012: An asset of DKK 103.6 million).

At the end of 2013 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 1.3 million (2012: DKK 1.0 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 2013 the five largest clients accounted for 61% (2012: 59%) 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. This is supported through a project governance structure. The projects are evaluated on risk meetings on a monthly basis.

Share portfolio risk
A 10% decrease of the market price of the shares will result in a loss of DKK 1.8 million.

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 27 Financial risk management (continued)

2013	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowing	(2,680)	-	-	-	(2,680)
Payments on account for work in progress	(46,104)	-	-	-	(46,104)
Trade payables	(46,827)	-	-	-	(46,827)
Payables to related parties	(3,765)	-	-	-	(3,765)
Other liabilities (less taxes and other duties payable)	(308,490)	-	-	-	(308,490)
Financial liabilities	**(407,866)**	**-**	**-**	**-**	**(407,866)**
Work in progress	110,979	-	-	-	110,979
Trade receivables	193,827	-	-	-	193,827
Receivables from related parties	123,284	-	-	-	123,284
Other receivables (excl. prepayments)	19,765	-	-	-	19,765
Cash at bank and on hand	134,953	-	-	-	134,953
Financial assets	**582,808**	**-**	**-**	**-**	**582,808**
Net at 31 December	**174,942**	**-**	**-**	**-**	**174,942**

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 on hand	106,426	-	-	-	106,426
Financial assets	**535,354**	**-**	**-**	**-**	**535,354**
Net at 31 December	**116,616**	**-**	**-**	**-**	**116,616**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 27 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 30.7% by the end of the year (2012: 22.1%).

The 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 2013, 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.

Note 28 Financial instruments by category

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

	2013		2012	
	Loans and receivables	Total	Loans and receivables	Total
Work in progress	110,979	110,979	125,324	125,324
Trade and other receivables	213,592	213,592	209,508	209,508
Receivables from related parties	123,284	123,284	94,096	94,096
Cash at bank and on hand	134,953	134,953	106,426	106,426
Assets as per 31 December	**582,808**	**582,808**	**535,354**	**535,354**

	2013		2012	
	Other financial liabilities	Total	Other financial liabilities	Total
Payments on account for work in progress	46,104	46,104	84,742	84,742
Trade payables	46,827	46,827	39,816	39,816
Short-term borrowings	2,680	2,680	2,867	2,867
Payables to related parties	3,765	3,765	3,888	3,888
Other liabilities	308,490	308,490	287,425	287,425
Liabilities as per 31 December	**407,866**	**407,866**	**418,738**	**418,738**

NOTES – CONSOLIDATED

(DKK 1,000)

Note 29 Companies in the NNE Pharmaplan Group

	Country	Year of incorporation/ acquisition	Issued share capital/paid in capital	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 Inc.	United States	2003	375,568	USD	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	20,206	BRL	100
NNE Pharmaplan Hong Kong Limited	Hong Kong	2013	10,000	HKD	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
Pharmacon-Beratungs-und Planungs GmbH	Germany	2007	26,000	EUR	100
NNE Pharmaplan Sdn Bhd.	Malaysia	2007	1,000,000	MYR	100
Pharmaplan SPOL s.r.o.	Czech Republic	2008	3,000,000	CZK	100
Other investments					
Abu Dhabi Medical Devices Company Ltd.	United Arab Emirates	2007	38,800,000	AED	11

Financial statements 2013 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 2013 for NNE Pharmaplan

INCOME STATEMENTS OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2013	2012
Turnover	2	1,071,533	917,727
Cost of projects	3	(890,179)	(776,087)
Gross profit		**181,354**	**141,640**
Sales and distribution costs	3	(37,884)	(36,278)
Administrative costs	3	(73,972)	(71,955)
Operating profit		**69,498**	**33,407**
Share of profit/loss in subsidiaries	9	12,330	13,346
Financial income	4	3,881	3,727
Financial expenses	5	(10,795)	(18,407)
Profit before income taxes		**74,914**	**32,073**
Income taxes	6	(25,191)	(8,944)
Net profit for the year		**49,723**	**23,129**
Proposed appropriation of net profit:			
Dividend to shareholders		15,000	-
Retained earnings		34,723	23,129
Reserve for net revaluation under the equity method		-	-
Total		**49,723**	**23,129**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2013	2012
Assets			
Intangible assets	7	186	384
Property, plant and equipment	8	4,708	3,758
Investments in subsidiaries	9	118,215	67,936
Deferred income tax assets		10,758	12,077
Financial assets	10	18,172	-
Total non-current assets		**152,039**	**84,155**
Work in progress and payments on accounts		26,355	55,212
Trade receivables		46,730	52,192
Receivables from related parties	13	200,277	206,358
Other receivables		3,708	3,818
Prepayments		7,773	6,609
Cash at bank and on hand		54,924	32,357
Total current assets		**339,767**	**356,546**
Total assets		**491,806**	**440,701**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2013	2012
Equity and liabilities			
Share capital	11	500	500
Retained earnings		193,599	120,091
Total equity		**194,099**	**120,591**
Provisions		18,891	39,175
Total Provisions		**18,891**	**39,175**
Payments on account for work in progress		19,889	31,665
Trade payables		23,986	16,409
Payables to related parties	13	41,159	81,785
Tax payables		12,039	6,169
Other liabilities		181,743	144,907
Total current liabilities		**278,816**	**280,935**
Total liabilities		**297,707**	**320,110**
Total equity and liabilities		**491,806**	**440,701**
Commitments	12		

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

(DKK 1,000)

2013	Share Capital	Reserve under the equity method	Retained earnings	Total
Balance at beginning of year	**500**	**-**	**120,091**	**120,591**
Exchange rate adjustments of investment in subsidiaries	-	-	(1,373)	(1,373)
Adjustment of investment in subsidiaries	-	-	1,517	1,517
Net income/(loss) recognised directly in equity	**-**	**-**	**144**	**144**
Net profit/(loss)	-	-	34,723	34,723
Proposed dividend	-	-	15,000	15,000
Total income/(loss)	**-**	**-**	**49,867**	**49,867**
Capital grant	-	-	23,641	23,641
Balance end of year	**500**	**-**	**193,599**	**194,099**

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

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**
Balance end of year	**500**	**-**	**120,091**	**120,591**

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 2 million (2012: 19 milion) 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 52-58.

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)

	2013	2012
Note 2 Turnover		
Sales value of completed contracts during the year	836,827	716,456
Sales value of work in progress, end of year	1,355,082	1,120,376
Sales value of work in progress, beginning of year	(1,120,376)	(919,105)
Total	**1,071,533**	**917,727**

Note 3 Employee costs		
Wages and salaries	500,647	476,118
Pensions	43,884	42,058
Share-based payment costs	3,458	5,927
Other contributions to social security	6,705	7,050
Other employee costs	16,033	16,389
Total	**570,727**	**547,542**
Included in the Income statement under the following headings:		
Cost of projects	500,000	480,274
Sales and distribution costs	19,070	19,133
Administrative costs	51,657	48,135
Total	**570,727**	**547,542**

The average number of full-time employees in 2013 was 720 compared to 686 in 2012. At the end of the year the company had 758 full-time employees compared to 699 at year end 2012.

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

Note 4 Financial income		
Interest income from group companies	1,012	1,122
Other financial income	2,869	2,605
Total	**3,881**	**3,727**

Note 5 Financial expenses		
Interest expenses to group companies	4,509	369
Other financial expenses	6,286	18,038
Total	**10,795**	**18,407**

NOTES – PARENT COMPANY

(DKK 1,000)

Note 6 Income taxes

The Parent Company paid income tax of DKK 7.7 million (DKK 12.2 million in 2012) related to the current year and DKK 6 million in taxes regarding prior years (DKK 3.1 million in 2012).

Note 7 Intangible assets

2013	ERP system and software
Cost at 1 January	40,624
Additions during the year	298
Disposals during the year	-
Cost at 31 December	**40,922**
Depreciation and impairment losses at 1 January	40,241
Depreciation for the year	495
Depreciation and impairment losses at 31 December	-
Depreciation and impairment losses at 31 December	**40,736**
Carrying amount at 31 December	**186**

Note 8 Property, plant and equipment

2013	Other equipment
Cost at 1 January	40,088
Additions during the year	3,956
Disposals during the year	(1,531)
Cost at 31 December	**42,513**
Depreciation and impairment losses at 1 January	36,330
Depreciation for the year	2,327
Disposals during the year	(852)
Depreciation and impairment losses at 31 December	**37,805**
Carrying amount at 31 December	**4,708**

NOTES – PARENT COMPANY

(DKK 1,000)

	2013	2012
Note 9 Investments in subsidiaries and joint ventures		
Investments in subsidiaries		
Cost at 1 January	291,635	291,117
Additions during the year	41,135	518
Disposals during the year	(1,341)	-
Cost at 31 December	**331,429**	**291,635**
Revaluation at 1 January	(156,040)	(122,836)
Exchange rate adjustments	(41)	(622)
Net profit/(loss) for the year	19,584	21,272
Dividend received	-	(28,021)
Remeasurements pension and fair value adjustment	(1,804)	(25,833)
Revaluation on disposals during the year	-	-
Revaluation at 31 December	**(138,301)**	**(156,040)**
Depreciation and impairment losses at 1 January	(67,659)	(59,754)
Exchange rate adjustments	-	21
Amortisation of goodwill	(7,254)	(7,926)
Depreciation on disposals during the year	-	-
Impairment losses and depreciation at 31 December	**(74,913)**	**(67,659)**
Carrying amount at 31 December	**118,215**	**67,936**

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	11,197	1,413
NNE Pharmaplan Inc.	Morrisville, United States	100%	USD 375,568	8,892	1,351
NNE Pharmaplan (Tianjin) Co. Ltd.	Tianjin, China	100%	USD 1,490,000	61,159	8,917
NNE Pharmaplan AB	Stockholm, Sweden	100%	SEK 100,000	8,754	890
NNE Pharmaplan GmbH	Bad Homburg, Germany	100%	EUR 550,000	9,023	9,537
NNE Pharmaplan Ltd.	Dublin, Ireland	100%	EUR 1	340	(14)
NNE Pharmaplan SA	Brussel, Belgium	100%	EUR 61.500	(2,090)	(1,068)
NNE Pharmaplan Consultoria LTDA	Curitiba, Brazil	100%	BRL 20,206	(275)	(1,051)
NNE Pharmaplan Hong Kong Limited	Hong Kong, Hong Kong	100%	HKD 10.000	(370)	(391)
				96,630	**19,584**
Goodwill etc at 31 December				21,585	
Amortisation of goodwill etc					(7,254)
Total				**118,215**	**12,330**

NOTES – PARENT COMPANY

(DKK 1,000)

	2013	2012
Note 10 Other financial assets		
For information regarding other financial assets please refer to note 12 in the Consolidated notes.		
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 1 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.

Note 12 Commitments

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 19.8 million in 2013 and DKK 21.3 million in 2012.

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

NOTES – PARENT COMPANY

(DKK 1,000)

	2013	2012
Note 12 Commitments (continued)		
Operating leases and other commitments are payable within the following periods as from the balance sheet date:		
Within one year	31,399	34,389
Between one and two years	18,421	20,042
Between two and three years	17,450	17,268
Between three and four years	16,309	16,389
Between four and five years	15,167	15,830
After five years	40,526	55,328
Total	**139,272**	**159,246**
Guarantees		
Bank guarantees	37,302	41,778
Other guarantees	40,321	38,799
Total	**77,623**	**80,577**

Other

Novo Nordisk A/S and its Danish subsidiaries are jointly taxed with the Danish companies in the Novo A/S Group. The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and individually liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

Note 13 Transactions with related parties

For information regarding transactions with related parties please refer to note 24 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 2013.

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 Review 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 2013, the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2013. 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, 31 March 2014

Executive Management

Morten Nielsen
President and CEO

Board of Directors

Birgit W. Nørgaard
(Chairman)

Lars Fruergaard Jørgensen
(Vice Chairman)

Per Valstorp

Kjell Johansson

Nanna Bruun

Jens Olesen

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 2013, 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 Union, and the Parent Company Financial Statements are accordance with the 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 2013 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with International Financial Reporting Standards as adopted by the European Union and Danish disclosure requirements.

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 2013 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2013 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, 31 March 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Lars Baungaard
Danish State Authorised Public Accountant

Rasmus Friis Jørgensen
Danish State Authorised Public Accountant

Concept and design: NNE Pharmaplan A/S
Text: NNE Pharmaplan A/S, Corporate Communications
Photo: DAS BÜRO (Peter Sørensen), Getty Images, Shutterstock and Science photo library

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