Annual report 2014

nne pharmaplan®
Focused pharma engineering

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NNE Pharmaplan
in 2014

THE YEAR AT A GLANCE

- NNE Pharmaplan delivered an underlying financial performance in 2014 of DKK 81 million based on a turnover of DKK 1,846 million or 4.4 percent in underlying operating profit margin. In addition we accounted for a restructuring creating the right offset for our new strategy leading to a reported operating profit of DKK 55 million corresponding to an operating profit margin of 3.0 percent.

- In the first half of 2014, NNE Pharmaplan started an in-depth study with a group of customers and a consulting company in order to identify current and future challenges for pharmaceutical companies and especially what constitutes the successful pharmaceutical manufacturing sites of tomorrow. The results of this study and a number of derived activities has built the foundation of a next generation strategy for NNE Pharmaplan that is being launched in the beginning of 2015, aiming towards 2021 with the value proposition "Focused Pharma Engineering."

- We increased the dialogue with our customers based on an improved concept for our annual Customer Satisfaction Survey and this has given us important, forward-looking input on where to improve, including an increased focus on global strategic customers. We have successfully been growing our turnover with our strategic customers and will continue this effort to build stronger trust-based customer relationships which provides mutual benefits based on long-term relations.

- Based on these customer relations we are seeing a shift within pharmaceutical manufacturing towards a higher need for flexibility. Our customers are experiencing changes in their business and regulatory environment that requires increased agility, both globally and locally. Some express it as a move from "site stability" to "site agility." NNE Pharmaplan takes this trend and its associated challenges very seriously and we are committed to using our insights to develop valuable, relevant offerings and services as part of our future strategic development.

- The new on-boarding programme, Navigate, which introduces new employees to NNE Pharmaplan was launched on 1 April 2014 with tremendous success. Designed to introduce new employees seamlessly into NNE Pharmaplan, this systematic programme on-boarded almost 150 employees to the company in 2014. In October 2014, Navigate was announced the Gold Award Winner in the 2014 Intranet Innovation Awards for the Business and Frontline category.

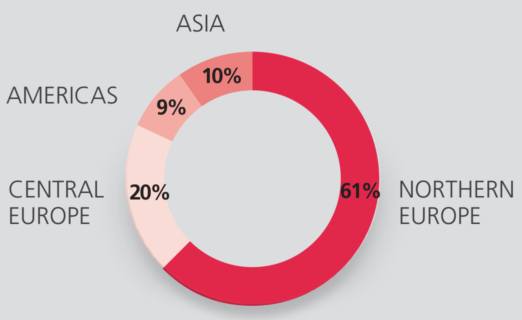
OUTLOOK FOR 2015

We expect to see the benefits of our new strategy already in 2015 and we expect to improve our financial performance compared to 2014.

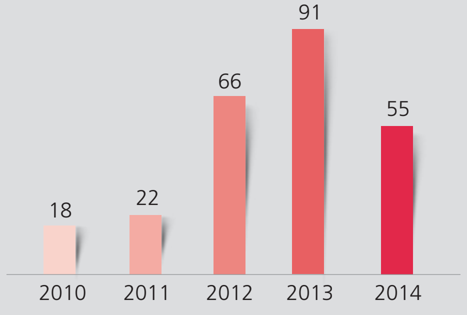
KEY FIGURES

INCOME STATEMENT (DKK MILLION)	2014	2013	2012	2011	2010
Turnover	1,846	1,837	1,673	1,504	1,466
Operating profit	55	91	66	22	18
Net profit	9	57	35	1	6
ASSETS & EQUITY (DKK MILLION)					
Total assets	851	765	707	706	671
Total equity	224	235	156	148	147
FINANCIAL RATIOS					
Operating profit margin (EBIT margin)	3.0%	5.0%	3.9%	1.5%	1.3%
Return on equity	4.0%	29.3%	23.2%	0.8%	3.8%
Solvency ratio	26.3%	30.7%	22.1%	21.0%	21.8%
PEOPLE					
Number of employees at end of year (FTE)	1,813	1,754	1,659	1,668	1,649

TURNOVER BY REGION 2014



OPERATING PROFIT
DKK milllion



Creating a foundation for focused pharma engineering

CHAIRMAN AND CEO STATEMENT

2014 was characterised by a solid financial result, despite challenges in some of our major markets and an investment in our new strategy.

NNE Pharmaplan delivered a solid underlying financial result in 2014. Although it is slightly below our expectations, the underlying operating margin of 4.4 percent is considered on par with or better than our peers. Turnover was DKK 1,846 million, which is on par with 2013. Reported operating profit was DKK 55 million, which corresponds to an operating profit margin of 3 percent. The results reflected challenging conditions in several of our key markets – China, Germany and North America and a restructuring cost of DKK 25 million ensuring the best possible offset for our new strategy.

During 2014, NNE Pharmaplan gained a deeper insight into the pharmaceutical market and customers' needs for pharma engineering. Smarter project execution, based on our global engineering model and our Communities of Interest, continued to be high on the agenda, and loyalty and engagement amongst our employees remained high.

All of this contributes to a strong foundation for the next stretch of NNE Pharmaplan's journey, where we will sharpen our focus on key markets, key customers and key competencies.

SETTING A NEW DIRECTION

NNE Pharmaplan is launching the next generation of the strategic plan that directs and focuses our efforts on the next part of the company's development towards 2021. Our customers have told us that they are experiencing a new pharma reality where frequent changes is becoming the norm rather than the more stable and predictable business that used to characterise the pharmaceutical industry. In the spring of 2014, NNE Pharmaplan partnered with a group of consultants with an anthropological background to execute an in-depth study to determine what constitutes the successful pharmaceutical manufacturing sites of tomorrow.

Based on a deep insight into our customers' challenges and needs, we have initiated the next phase of NNE Pharmaplan's strategic development. We will focus our efforts even more on what we do best, namely pharma engineering. Read more about the new strategic direction in the Business Strategy section of this report.

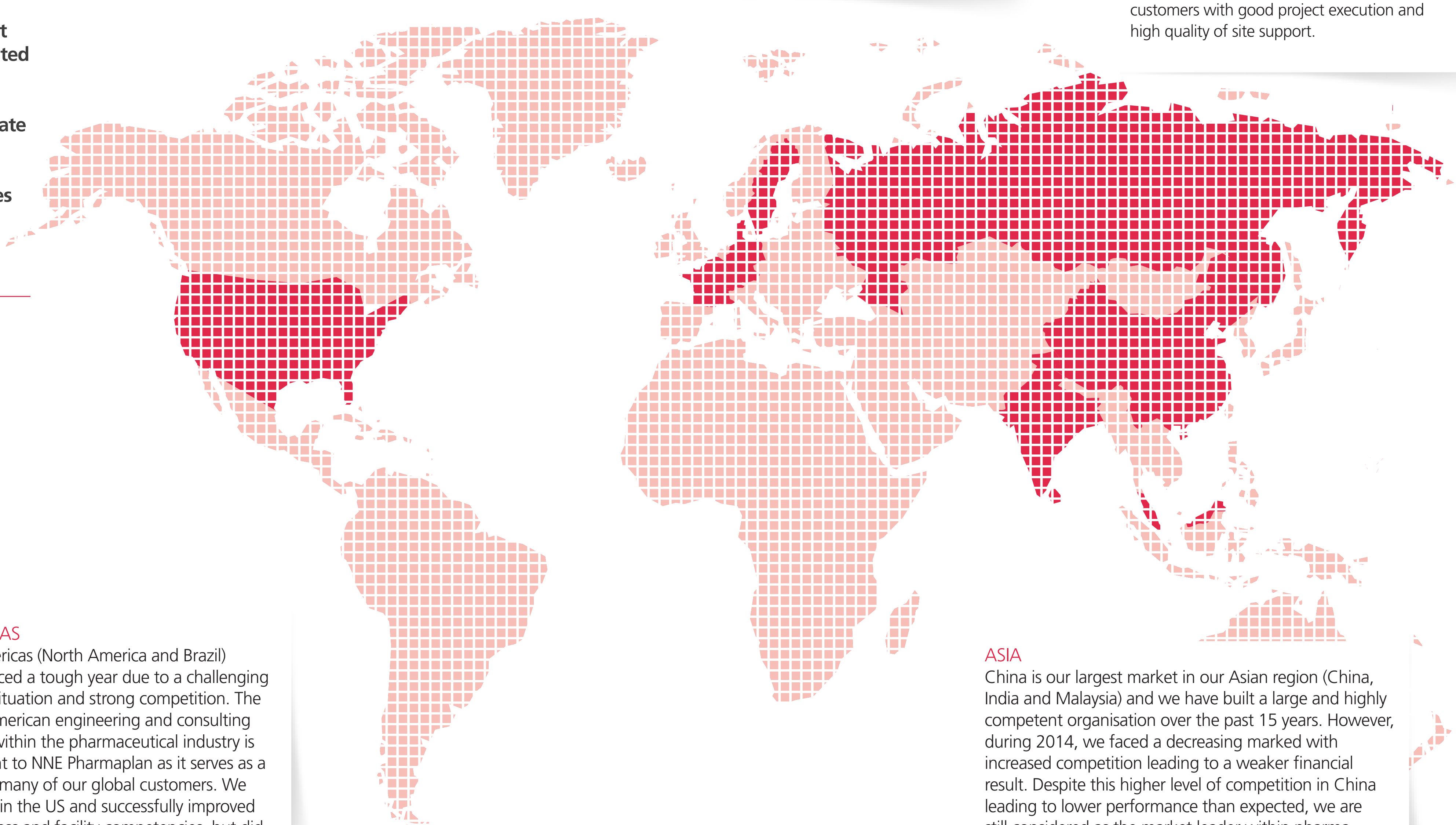
FINANCIAL EXPECTATIONS FOR 2015

In 2015, we expect an unchanged level of investments within the pharmaceutical industry and we expect a continued high competition in our key markets.

To succeed with our new strategic direction, we have to work at selected locations and build partnerships with selected customers. Consequently, we have revised the number of NNE Pharmaplan's global locations. We believe this change is necessary to improve the quality of our work further and to build trust-based relationships with our customers. Thus, we expect to see the benefit of our new strategy already to impact in 2015 by improved financial performance.

REGIONAL PERFORMANCE

NNE Pharmaplan conducts business at a regional level. In 2014 we consolidated into four regions: Northern Europe, Central Europe, Americas and Asia. Furthermore, there are shared corporate functions and a new shared Global Consulting business unit was established in 2014. Our regional businesses are quite different in their market situation and business challenges.



CENTRAL EUROPE

Our Central Europe region (Germany, France, Switzerland and Belgium) did not live up to expectations. France and Switzerland grew business and performed well, while Germany was negatively impacted by several customer-initiated projects postponements and lower project profitability.

NORTHERN EUROPE

Northern Europe (Denmark, Russia and Sweden) achieved an excellent result in 2014 with Denmark exceeding our expectations. We delivered on our promise to our strategic customers with good project execution and high quality of site support.

AMERICAS

The Americas (North America and Brazil) experienced a tough year due to a challenging market situation and strong competition. The North American engineering and consulting market within the pharmaceutical industry is important to NNE Pharmaplan as it serves as a base for many of our global customers. We invested in the US and successfully improved our process and facility competencies, but did not manage to secure sufficient order entry.

ASIA

China is our largest market in our Asian region (China, India and Malaysia) and we have built a large and highly competent organisation over the past 15 years. However, during 2014, we faced a decreasing marked with increased competition leading to a weaker financial result. Despite this higher level of competition in China leading to lower performance than expected, we are still considered as the market leader within pharma engineering and will remain dedicated to and focused on delivering high-quality services to our customers.

From site stability to site agility

After many years of relatively stable and predictable business, the pharmaceutical industry has been exposed to significant challenges. Some big pharmaceutical products have lost patent and new specialty drugs require smaller volumes. These changes inspired NNE Pharmaplan to engage with a group of consultants with an anthropological background to conduct an in-depth study of tomorrow's successful pharmaceutical manufacturing sites. The study identified the primary need to increase flexibility and to move from site stability to site agility.

The study was part of our strategic effort to become a stronger and more valuable service provider, based on the key question: "What constitutes a successful pharmaceutical manufacturing site?" In this changing reality, three "need areas" emerge as being the most critical to success: flexible production, integrated quality and entering new domains.

FLEXIBLE PRODUCTION
Sites need to ensure they can always deliver on demands

The key success factor for every production facility is achieving production targets. Sites must be able to deliver products in a reliable manner, no matter what unforeseen challenges they face. This requires an increased focus on handling sudden changes in production demands, technical problems and engineering projects that take place while production keeps running.

The issue of flexible production is clearly becoming more important for our customers. There is the risk of delaying product delivery or even failure to meet production targets altogether. When facing challenges, production processes and people can experience exceptionally high workload with a likelihood of compliance gaps, technical faults and human error. Flexibility is a necessity for ensuring the success of a manufacturing site.

INTEGRATED QUALITY
Sites need well-integrated and balanced quality systems

Manufacturing sites need to keep up with increasingly complex quality regulations that differ from region to region. There is a clear need for integrating quality systems throughout the entire organisation to ensure a consistent level of compliance – also across different sites.

It can be costly and severe if quality is not sufficiently integrated at sites. Concerns and uncertainty about quality standards and requirements can create a risk-averse and conservative attitude across the organisation, which can hinder innovation and progress. Ad-hoc adjustments to production processes can cause potential compliance gaps or catch the attention of internal or external quality auditors. Some sites are attempting to introduce "permanent inspection readiness." Others prepare for surprise visits by authorities. This means being ready for difficult discussions, practising the right behaviour and personality for meeting inspectors and delegating ownership of quality systems to people who have the right answers and overview of the situation.

MARKET TRENDS

ENTERING NEW DOMAINS

Sites need to absorb knowledge quickly to implement new practices

As new products and technologies develop, production facilities, processes and equipment follow. When introducing new drug categories or technologies, sites need to quickly build the expertise required to successfully determine and implement the new solutions. The expertise should then be retained locally, so the site can become fully independent. In that way, local users and maintenance technicians are better equipped to handle daily routines and any potential issues. Therefore, there is a clear need for sites to enter new domains in a risk-free way.

Risk mitigation involves using best-practice technologies and solutions. It is not always necessary to pioneer a new domain or if it is, it must be done in a risk limiting manner. By using and sharing best practices in our projects based on our local knowledge and our international communities of interest (COIs) we are limiting project risk and ensuring professional solutions based on proven technology.

The important shift within pharmaceutical manufacturing towards lower predictability and increased need for flexibility involves a challenge for our customers to move from "site stability" to "site agility." Every stakeholder involved in pharmaceutical manufacturing appears to be challenged by this shift. Headquarters find themselves planning for a highly uncertain production future and site management must adapt locally to changes. Project managers are under pressure and are often need to master new scientific and technical areas. The quality department is left with the tough job of ensuring GMP compliance in this dynamic domain where cGMP (Current Good Manufacturing Practise) is a constant moving target and has significant international variations. This is indeed a tough new reality. Flexible production, integrated quality and new domains are key areas for sites to develop. NNE Pharmaplan takes this new reality and its associated challenges very seriously and is committed to developing valuable and relevant offerings and services for the future.

NEW INTERNATIONAL TRENDS

For many years, the international pharmaceutical manufacturing landscape has been fairly stable. Most innovative, patent-protected products are manufactured in Europe and the US. As many pharmaceutical companies have now established local manufacturing in several regions around the world, there is an increased focus on consolidation within manufacturing networks and several facilities are upgrading to meet various local standards.

There seems to be a change in the manufacturing split between traditional, Western pharma countries and emerging countries. Many innovative products are now high-priced, small-volume products, which are often manufactured in the Western world. The pharmaceutical industry is seeing a change in the localisation and cooperation between international sites. Consequently, many companies are taking a more balanced approach, where growth in emerging market countries is less about the global supply chain and more about the local market supply. This has inspired leading pharmaceutical companies to change their approach towards a broader international approach spanning many countries. Previously, there was considerable interest in the BRIC countries (Brazil, Russia, India and China). Today, many are broadening their scope to other countries, though still mainly within emerging markets, which are more driven by market access potential.

This is why NNE Pharmaplan has a high focus on global strategic customers who need local projects in our key countries. These customers are seeing an increasing share of work, while local companies with limited international coverage are seeing a decrease.

Setting
a new direction

BUSINESS STRATEGY

NNE Pharmaplan is launching a new strategic plan that will direct our efforts for the next part of our journey towards 2021.

Our customers have told us they are experiencing a new pharma reality in their daily business challenges. Frequent changes are becoming the norm instead of the previous stability and predictability that has characterised the pharmaceutical industry. Successful pharmaceutical manufacturing now requires "site agility" rather than "site stability" in order to overcome the challenges of today and tomorrow. Our customers' feedback tells us that we have been moving in the right direction, but that we need to sharpen our focus on core competencies, key markets and strategic customers in order to succeed with our vision.

To ensure a solid foundation for our next strategic horizon, we have conducted in-depth research among selected key customers around the world. The research showed that our customers expect pharmaceutical development and production to face increasing complexity and pressure to deliver results over the coming years. This sets new success criteria for the pharmaceutical companies as well as their partners – including NNE Pharmaplan. We have already seen it in some of our engagements and projects. So we will change our business accordingly as we strive to become an industry leader in our field, helping our customers to meet their challenges.

FOCUSED PHARMA ENGINEERING

Our new value proposition is "Focused pharma engineering". We provide a number of core benefits to our customers:

- Agile and flexible operations – enabling customers to run more flexible operations, making it easier to be successful in an uncertain, dynamic environment
- Seamless GMP compliance – providing built-in quality and GMP-compliant solutions to seamlessly ensure the right quality level with low complexity and risk
- Future-proof solutions – ensuring the ability to provide state-of-the art solutions and implement new technologies and practices as new products and processes are introduced at production sites

We will work within the new pharma reality to help our customers solve their important needs such as achieve flexible production facilities, build integrated quality solutions and be one step ahead by leading and implementing new drug categories and technologies. This is how we will build our future as the leading global pharma engineering company.

For the next strategy period, we will focus on three strategic change areas: focus on strategic customers, strengthen core competencies and activate global best practice.

OUR MISSION, VISION AND NEW LONG-TERM STRATEGIC GOALS FOR 2015

With the new strategy, we also launch a revised mission, vision and new long-term strategic goals. Our ultimate goal or mission is to help pharmaceutical companies bring products to market by providing flexible, compliant and future-proof solutions based on reliable project execution.

Our vision is to be the leading pharma engineering company by being perceived as trusted advisors by our customers, being the preferred employer within pharma engineering, and delivering competitive and sustainable business results.

We will measure our long-term success against three predominant, balanced goals. Our long-term strategic goals:

- **Loyal and satisfied customers →**
  Customer Ambassadors 50 percent by 2017
- **Loyal and engaged employees**
  Employee Ambassadors 35 percent by 2017
- **Competitive and sustainable business results**
  EBIT margin 6.0 percent by 2017

2014 – PREPARING FOR THE NEW STRATEGIC JOURNEY

Our focus in 2014 has been to continue strengthening relationships with our strategic customers. We have designed processes and tools to increase our understanding of our customers' needs, their businesses and the industry in general. For example, we implemented a project on-boarding tool and a Customer Sync initiative. The latter is a business process that aligns us with the customer's experience with NNE Pharmaplan on current projects, so that we are in sync with our customer's needs, challenges and expectations.

Furthermore, our in-depth research has revealed the competencies we require to be able to navigate the new pharma reality.

All strategic initiatives in 2014 were implemented to get us on track for our new strategic journey starting January 2015.

LOYAL AND SATISFIED CUSTOMERS

50%

Customer ambassadors

LOYAL AND ENGAGED EMPLOYEES

35%

Employee ambassadors

COMPETITIVE AND SUSTAINABLE BUSINESS RESULTS

6%

Profit

Long-term customer relationships lead to lasting market impact

MARKETS & CUSTOMERS

In response to the new pharma reality, we have increased focus on our partnerships with selected customers. We stress the value of providing more site-based customer support in order to activate best practise for our customers.

GENERAL OUTLOOK

By December 2014, NNE Pharmaplan's backlog was DKK 627 million. The weighted value of the pipeline increased by 30 percent in 2014, and the combined backlog and weighted pipeline represented 20 months of work at the beginning of 2015.

Order entry from global strategic customers generated 63 percent of NNE Pharmplan's total sales in 2014, up slightly from 60 percent in 2013. Orders from global strategic customers were unchanged compared with 2013.

BUILDING LONG-TERM RELATIONSHIPS WITH CUSTOMERS

In 2014, NNE Pharmaplan performed a Customer Satisfaction Survey. The response rate increased slightly to 37 percent compared to 2013. This feedback provides us with advantageous insight about our customers' perceptions of NNE Pharmaplan and their overall experience with us. It will support our journey towards truly understanding our customers' needs, which is a prerequisite for building trust-based relationships.

The survey results give us an important indication of exactly where to improve. Unfortunately, customer satisfaction has not increased as we intended, but our customers do tell us they want to engage with us in closer relationships.

That is why we want a dedicated approach to selected customers with whom knowledge and expertise can be aggregated and applied. We commit ourselves to selected sites to be close to the customers, to develop local expertise, and to build business bottom-up. We provide global knowledge combined with local presence and understanding. This will emphasise the importance of providing strategic site support with skilled and motivated local staff.

SITE-BASED BUSINESS MODEL

NNE Pharmaplan has had considerable success implementing site-based teams, working closely with customers at their manufacturing sites. NNE Pharmaplan now plans to implement a new site-based business model focusing on a selected number of customers around the world. This meets customers' needs in an evolving pharma market focused on site agility and flexibility, and it will allow us to respond quickly to change and the introduction of new products.

ACTIVATING BEST PRACTISE – TO THE BENEFIT FOR OUR CUSTOMERS

To be the leading global pharma engineering company, we must activate our best practises locally. We need to make best use of our capabilities and apply a data and content-driven sales approach focused on customer issues. NNE Pharmaplan sits on a goldmine of knowledge and experience. Our customers must feel they benefit from our expertise and vast experience within pharmaceutical manufacturing. Novo Nordisk's state-of-the-art Biopharm filling facility in Kalundborg, Denmark is a good example of smarter project execution – our good engineering processes – delivering flexible and total support (see case story on page 21).

The Smarter Execution Platform, integrating NNE Pharmaplan's Quality Management System with our global engineering model, helps us deliver more consistent project performance across regions, customers and projects. Called "Our Model", it represents NNE Pharmaplan's good engineering practises with standards and guidelines developed by some of our key subject matter experts building on global best practises. NNE Pharmaplan's quality management system ensures that all our project execution procedures live up to the industry's quality standards.

NNE Pharmaplan's 25 Communities of Interest (COIs) are responsible for keeping our standards and guidelines up to date based on our global experience and best practises. They ensure continuous improvement of our knowledge base and our project performance. The COIs bring together people from across the world with similar interests within project management and engineering, thereby supporting global collaboration and knowledge sharing.

The combination of activating global best practise and being close to the customer – knowing their people, procedures, processes, systems and tools – enables us to solve the most complex tasks within pharma engineering and continuously deliver world-class solutions to our customers.

CASE STORY

Providing flexible operations for new Biopharm filling facility

Novo Nordisk has established a new biopharm filling facility in Kalundborg. The facility serves as a multipurpose site working with biopharmaceutical products, such as NovoSeven® for haemophilia patients and Glucagen® for treatment of low levels of blood glucose. NNE Pharmaplan provided support in all engineering disciplines.

The 10,000-m² facility was the solution to Novo Nordisk's space issue. Novo Nordisk needed a back up to its existing operations, where the new location would supplement existing facilities in Gentofte.

"What makes this a complex facility is the fact that it is so dense. It has more than 150 rooms – many of them very small – and when everyone wants to work on their part at the same time, scheduling is very important," says NNE Pharmaplan project manager Torben Kløvborg-Laustsen.

The cleanrooms and the HVAC installations were highly complex, time-consuming aspects that required excellent space management.

For this huge facility, NNE Pharmaplan provided conceptual design, basic design, EPCMV (engineering, procurement, construction management and validation) and support in all engineering disciplines.

Overall, Novo Nordisk was satisfied with the performance on the project, the support and the way NNE Pharmaplan handled the difficult turns the project took. NNE Pharmaplan could adapt to changes in priority along the way and to unexpected challenges, such as water damage which suddenly happened at the end of the project.

"We are very satisfied with the final result of the facility. I'm impressed by the quality, which is well-integrated, and the appearance of the facility is remarkable," says CVP for Biopharm Aseptic Production in Novo Nordisk, Henrik Friese.

In spite of the turbulent conditions that occurred along the way, the project was completed in three years (2011-2014). The first products will be delivered to the market in 2016. The Biopharm filling facility in Kalundborg is expected to double the capacity for the Biopharm filling division of Novo Nordisk.

Enhancing existing competencies

PEOPLE DEVELOPMENT

In 2014, NNE Pharmaplan established new programmes to support and develop our greatest asset – our employees.

NEW ON-BOARDING PROGRAMME THAT BOASTS EFFICIENCY RECEIVES AN INTERNATIONAL AWARD

The highly anticipated on-boarding programme, Navigate, was launched on 1 April 2014 with tremendous success. Designed to seamlessly introduce new employees to NNE Pharmaplan, this systematic programme on-boarded almost 150 employees to the company in 2014.

Navigate is executed in three stages, or missions, which are spread over the first 90 days of employment. Each mission ends with a short exam. The goal of the first mission is to create your own pitch by being able to tell a friend about NNE Pharmaplan in two minutes. The second mission aims to get the new employee ready to engage and interact with customers. After the third mission, the new employee can navigate through the NNE Pharmaplan world.

With this step-by-step introduction, new hires have a gradual, regular introduction and become acquainted with the company language at a natural progression. It offers the smoothest introduction possible, making new employees quickly feel at ease. Successful integration of new hires is important, as it potentially can reduce the time between introduction and productivity by 60 percent.

Around 30 NNE Pharmaplan employees participated in the development of the programme, which utilises various learning methods, such as e-learning, reading, lectures, webinars, videos and on-the-job-training.

In October 2014, just six months after its launch, Navigate was announced the Gold Award Winner in the 2014 Intranet Innovation Awards for the Business and Frontline category. The programme was one of the highest scoring submissions and the judges were particularly impressed by the focus on organisational benefits, the integration with different systems and the fact that the process started before employees' first day.

LEARN TO LEAD WITH A NEW PROGRAMME GEARED TOWARD MANAGERS AND DIRECTORS

In an effort to enhance managers' and project directors' leadership skills, NNE Pharmaplan has established the leadership development programme, LEAD 2014. This intensive programme aims to study leadership techniques and is organised around three key angles: authentic leadership, closer to the customer, and engaging employees.

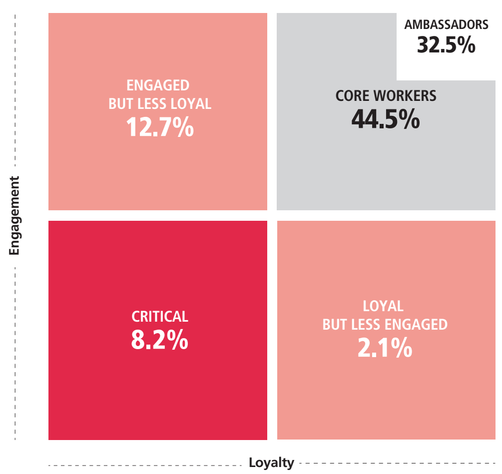
A total of 186 managers and project directors have participated in 13 LEAD courses, which have taken place in the United States, China, India, France, Germany, Switzerland and Denmark. The courses in the US and China were run by the external provider Linkage. The majority of training sessions in India, Central Europe and Denmark were run by an internal faculty.

LEAD has made a positive impression on participants as a valuable tool for examining leadership style and tactics more closely. NNE Pharmaplan plans to deliver more LEAD sessions in 2015 with focus on relevant strategic subjects for the year.

EMPLOYEE SURVEY – OVERALL STEADY RATES AND COMMUNITIES OF INTEREST INCREASE

This year, the response rate of the annual global employee survey reached a record high of 94 percent. This is the highest response rate in NNE Pharmaplan's history.

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. This score remains at a high level (32.5 percent), however, the score has dropped 1.4 percent from last year's 33.9 percent. Though we did not reach our ambassador target for 2014 (33 percent), 32.5 percent is still a very positive result. In addition, 77 percent of our employees, corresponding to almost 1300 people, are either ambassadors or core workers.



This figure actually indicates a best-in-class result for knowledge-based companies.

Another positive increase relates to our Communities of Interests (COIs), where scores have reached a total of 7.5 (on a ten-point scale). Our ongoing efforts to utilise COIs have been constructive and rewarding.

LOOKING FORWARD – STRENGTHEN CORE COMPETENCIES PROGRAMME IN 2015

The new pharma reality requires a more focused approach to competency development. To retain a winning position in a competitive market, it is essential that NNE Pharmaplan builds the required competencies.

We have developed a framework outlining competency areas required by focused pharma engineering. This is based on an analysis of current strengths and areas of development, focusing on customer needs and expectations. The framework serves as a global platform that will enable us to align, focus and prioritise where to invest in our competency development in the years to come.

Building on this framework, a competency development programme will be developed and implemented during 2015.

EMPLOYEE DATA

NUMBER OF EMPLOYEES (2014)

1,813

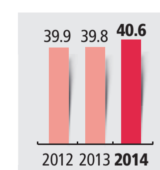
NNE Pharmaplan employed a total of 1,813 full-time employees at the end of 2014 distributed across four regions and 12 countries.

The number of employees in Central Europe and Americas remained essentially unchanged, while the number of employees in Asia decreased and the number of employees in the Northern Europe region increased, in particular in Denmark.

The maximum inter-office difference is 12.8 years. Our office in Brazil has the lowest average age, while Denmark has the highest.

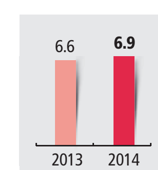
AVERAGE AGE (YEARS)

40.6



THE AVERAGE EMPLOYEE SENIORITY (YEARS)

6.9

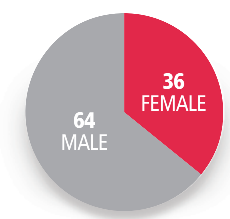


GENDER (2014)

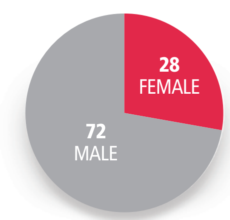
The Board of Directors strives to include at least one of each gender on the Board. Employee-selected members are not included in this target. In 2014, the Board consisted of six members, where one of the non-employee-selected members was female.

Across all NNE Pharmaplan management teams, we aim to achieve a distribution equivalent to NNE Pharmaplan's overall gender distribution, taking local cultures into account.

ALL



LINE MANAGERS



The gender split was 36 percent female and 64 percent male in 2014. Across all line management positions, 28 percent were held by women, which demonstrates a small discrepancy compared with the overall gender distribution.

To balance management team gender distribution with the general distribution, NNE Pharmaplan strives to include female candidates in the recruitment process for management positions and as successors to management positions. We also try to achieve the general gender distribution in our talent programmes.

All these initiatives are an integrated part of the Organisational Audit process.

Sustainability in NNE Pharmaplan's world

SUSTAIN-
ABILITY

In 2015, we will publish our sixth Communication on Progress (COP) report, which is a sustainability report required by our UN Global Compact membership.

NNE Pharmaplan has been a member of the UN Global Compact since 2008. We are still committed to the 10 principles regarding human rights, labour, environment and anti-corruption, and we support fulfilment of the eight Millennium Development Goals and the outline of the new Sustainable Development Goals. NNE Pharmaplan's management structures enable the continuing development, integration, and reporting sustainability to support policies, goals, management systems and tools.

During 2014, NNE Pharmaplan developed a new sustainability strategy. The focal point of the strategy is the services we deliver to customers. Our single largest environmental and social footprint is the engineering and consulting solutions and services we provide. Consequently, NNE Pharmaplan strives to be best at transforming and operationalising trends and retaining the highest sustainability standards within the pharmaceutical and biotech industry. Our current framework of policies and systems is a good starting point. However, we will step up our capacity and implementation of systems and tools. In response to the UN Guiding principles for human rights, we are currently reviewing our supplier due diligence mechanisms. We also continue to monitor our direct environmental and social impacts.

COUPLING SPEED, COST SAVINGS AND SUSTAINABILITY AT UCB

Early assessment of the sustainability footprint in UCB's large-scale biotech production facility not only resulted in fast-tracking products to the market, but also substantial cost savings. Read the UCB case story on page 31.

SUSTAINABILITY REPORT

In 2015, we will publish our sixth COP (Communication on Progress) report, which is our sustainability report. The sustainability report is published together with the Annual Report and gives insight into how we integrate sustainability and the principles of the Global Compact (in areas of human rights, labour, the environment and anti-corruption) in our business.

Read more about our impacts below and in our sustainability report at http://www.nnepharmaplan.com/About-us/Sustainability/.

NNE PHARMAPLAN PERFORMANCE 2014

We monitor construction site accidents and our carbon footprint. For measurement methods and further information, please refer to our sustainability report.

SAFETY AT CONSTRUCTION SITES

The accident frequency is recorded for the NNE Pharmaplan projects where construction site health and safety management has been handled or supervised by NNE Pharmaplan. In 2014, NNE Pharmaplan managed projects in France, Switzerland, China and Denmark. We are pleased that the accident frequency was significantly reduced: 2.7 accidents per million working hours in 2014. This is below the statistical average of these countries (table 1).

Safety on construction sites will continue to be a focus area in 2015.

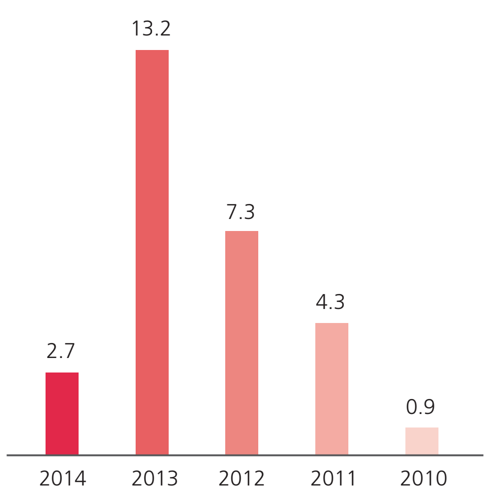


Table 1. Accident frequency on construction sites

CO_2 EMISSIONS IN 2014

NNE Pharmaplan's CO_2 emissions in 2014 were 11 percent lower than in 2013 mainly due to increased use of virtual meetings across borders which have reduced the air travel (table 2).

Travel activities are still the main source of our greenhouse gas emissions – company-owned cars, employee-owned cars and air travel. These activities account for 74 percent of total emissions. A regular bus service between our locations in Nybrovej and Kalundborg in Denmark was established in 2014. With the facilities needed for work during commute, the bus saved 32 tons in CO_2 and reduced colleagues' unproductive driving time by 3,000 hours.

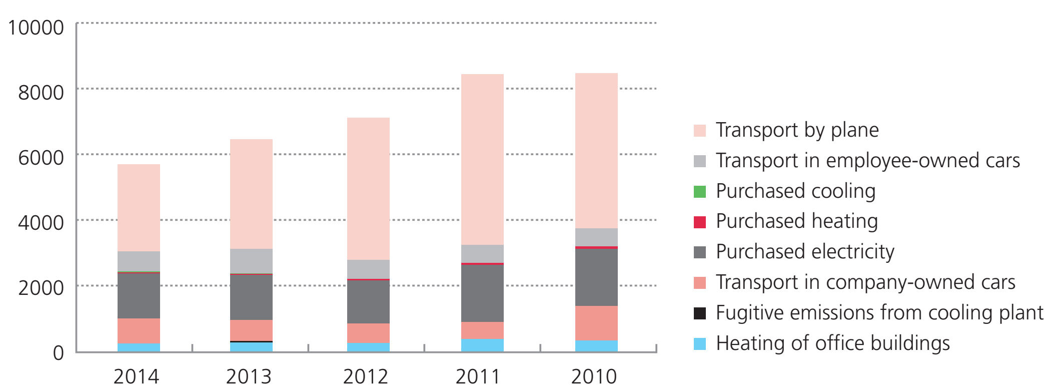


Table 2. Greenhouse gas emissions (tCO_2)

Large-scale facility to ensure future supply of antibody drugs

CASE STORY

The global biopharmaceutical company UCB is building a new antibody production facility in Bulle, Switzerland. It is the largest biotech project in Europe in recent years.

The new facility will produce UCB's antibody-based drugs, and is the company's first large-scale biotech commercial production facility.

The facility will be key in ensuring that the company's supply of Cimzia® (certolizumab pegol), which treats the symptoms of Crohn's disease and rheumatoid arthritis, meets the needs of the patients. So far, Cimzia® production has been outsourced to contract manufacturing organisations, but only a few of them have the required capacities to keep up with growing demand. "It is therefore important for us to be able to produce Cimzia® in-house, to control supply and ensure we deliver first-class quality products," says Amer Jaber, Vice President and General Manager of UCB Farchim and Head of Biotech CoE.

IN THE FAST LANE

Late in 2010, UCB announced its Bulle plans and its ambitions to have the facility fully operational by 2015.

In charge of project management, NNE Pharmaplan focused all efforts on supporting this ambitious timeline. After kicking off in June 2011, we completed the conceptual design in two months and the basic in five and were able to start the detailed design in February 2012. The first cornerstone was laid in May 2012 and a watertight building was achieved by December 2012. A year later, the facility was ready for performance qualification, and the facility was inaugurated in October 2014.

NNE Pharmaplan's international project team comprised around 70 people from China, Switzerland and Denmark. "Multi-site execution means that we can provide UCB with a project team that comprises all the necessary capabilities and know-how that a fast-track project of this size requires," says Project Director, Lars Holmgaard Olsen.

COUPLING SPEED AND SUSTAINABILITY

While a fast-track approach has many benefits, such as getting products faster to market, it often poses an obstacle to implementing a sustainability focus in the project. To overcome this obstacle, NNE Pharmaplan carried out an initial assessment of the project's main sustainability impacts on environment, health and safety and climate.

Subsequently, we developed a sustainability one-pager in close cooperation with UCB, which described the desired sustainability level for the facility, including success criteria. By defining the sustainability footprint so early in the project, we could implement improvement measures in the project design from the beginning.

ENTERPRISE RISK MANAGEMENT

NNE Pharmaplan continued its dynamic approach to risk assessment in 2014. Increasing turnover from our customers requires 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

We assess short-term risks on a monthly basis, particularly 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 as well as a general view on the outlook for the pharma engineering market. Risks are assessed by the likelihood of the event and the potential impact on our business on a three-year horizon. NNE Pharmaplan Management, chaired by the CEO, evaluates and agrees on mitigations for the key risks at a meeting held annually in the spring. For 2014, 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. One of NNE Pharmaplan's intentions for 2014 was to place additional focus and attention on strategic customers. Specific strategic customers had high expectations of projects, while there was also a risk of projects not starting up. To mitigate this risk, we must remain close to our customers and strive to understand their needs and expectations. The evolving business plan for each year is discussed with and approved by NNE Pharmaplan's Board of Directors.

GLOBAL COMPETITIVENESS

In 2014, we increased our focus on strategic customers, and we will continue growth with these customers as part of our initiative to build stronger trust-based customer relationships. This increases the predictability of our order book and provides opportunities for close dialogue with our customers.

NNE Pharmaplan is increasingly dependent on customer investment plans. Here, our 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.

Particularly in China, a number of international companies, including engineering companies tend to 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. 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. Governance structure including risk assessment is established for major projects in the proposal process. It is maintained through project steering committees during project execution. Moreover, an executive project portfolio committee evaluates global project portfolio risks on a monthly basis.

GLOBAL INVESTMENT CLIMATE

During 2014, the global investment climate improved, and the impact of 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 our expertise in supporting 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 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, we have implemented various activities to support compliance.

These activities include mandatory e-learning programmes, annual audits and general awareness training. A rolling cycle is implemented to ensure that all employees and internal consultants complete an e-learning programme every year. The basic programme "The way we do business" is integrated into Navigate, the new on-boarding programme for new employees, and employees are re-trained every third year. In the intervening years, employees complete the annual refresher programme "Doing business the right way".

PEOPLE AND ORGANISATION

The complex field of pharma, combined with global competition, raises our customers' expectations of the experience and competency levels of the resources we offer 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 and project management training, as well as the ability to transfer resources across regions, remains our main lever for building 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 adhered to by all NNE Pharmaplan employees. The Essentials are supplemented by our business ethics, our quality management system and our triple bottom-line commitment to improve continuously our financial, environmental and social performance. As a member of the UN Global Compact, NNE Pharmaplan is also committed to ten universally accepted principles regarding human rights, labour (people), the environment and anti-corruption.

OWNERSHIP

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

REPORTING

NNE Pharmaplan's consolidated financial statements are prepared according to International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional disclosures required by the Danish Financial Statements Act. They are published in 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 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 reviewed once a year and were last updated in March 2014. NNE Pharmaplan Management is represented at 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 2014 is presented in note 3 to the consolidated financial statements.

RISK MANAGEMENT

In order to assess the risks in our company systematically, clear reporting lines from the organisation to NNE Pharmaplan Management and the Board of Directors are in place. Risk management is integrated into our decision processes at an operational, tactical and strategic level. NNE Pharmaplan responds to changing market dynamics and determines the necessary mitigations that are essential to running a successful and sustainable business. More information is available in the Enterprise Risk Management section.

AUDIT

At the 2014 Annual General Meeting, PricewaterhouseCoopers was re-elected as NNE Pharmaplan's auditor, based on the recommendation of the Board of Directors. The auditor participates in the Board meeting at which the Annual Report is presented and approved, and 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 and at other Board meetings to the extent necessary.

ORGANISATION

NNE Pharmaplan Management is based at our head office in Gentofte, Denmark, except for three (out of four) 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 Customer Relations, Global Consulting & 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.

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 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 Corporate Vice President

Søren Jelert was appointed Chief Financial Officer and Corporate Vice President for Finance, Legal and IT in 2008. 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 joined the company 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).

BO NAGEL-HARVIG
Regional Manager and Corporate Vice President,
Northern Europe

Bo Nagel-Harvig was appointed Regional Manager of Northern Europe and Corporate Vice President in 2014, when he rejoined NNE Pharmaplan after seven years as managing partner/CEO of Emondo A/S. During his first term with NNE Pharmaplan, he held various positions in Denmark, France and the US. In his last role as General Manager of North America 2004-2007, he established NNE Pharmaplan's current office in North Carolina. Bo Nagel-Harvig has more than 20 years of experience within leadership, project management and execution of large and complex pharmaceutical projects. His educational background is electrical engineer and certified Project Management Professional.

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.

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 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
Corporate Vice President of Global Customer
Relations

Ole Spang-Hanssen was appointed Corporate Vice President of Global Customer Relations in 2014 after three years as Regional Manager of the Emerging Markets region and Corporate Vice President. 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.

FLEMMING STEEN JENSEN
Corporate Vice President, Global Consulting
& Business Development

Flemming Steen Jensen was appointed Corporate Vice President of Global Consulting & Business Development in 2014, when he rejoined NNE Pharmaplan after 14 years as Executive Vice President of Global Product Supply and member of the Board of Management of the pharmaceutical company ALK-Abelló. At ALK-Abelló, he had global responsibility for production, supply chain, engineering & maintenance, business improvement, QA and SHE. From 1997 to 2000, he held the position of Vice President of Pharmaceutical Mechanical Engineering at NNE Pharmaplan. This followed several management positions at Novo Nordisk. Flemming Steen Jensen holds an MSc in Pharmacy from the University of Copenhagen.

BOARD OF DIRECTORS

LARS FRUERGAARD JØRGENSEN
Chairman of the NNE Pharmaplan Board since 2014, and member of the board since 2011

Lars Fruergaard Jørgensen is Executive Vice President and Chief of Staff at Novo Nordisk A/S. He joined Novo Nordisk in 1991 and has over the years held a number of senior management positions including postings in the US and Japan. He holds an MSc in Finance and Business Administration from the Aarhus Business School, Aarhus University.

Other board memberships:

- NNIT A/S

BIRGIT W. NØRGAARD
Vice chairman of the NNE Pharmaplan Board since 2014, and member of the board since 2011

Birgit W. 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 in 2006 to 2010, CEO of the Carl Bro Group from 2003 to 2006 and CFO from 2001 to 2003. Prior to that, 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 and an MBA from INSEAD.

Other board memberships:

- DSV A/S
- Lindab International AB (Sweden)
- IMI Plc (UK)
- Cobham Plc (UK)
- WSP Global Inc.
- Kværner ASA
- The Danish State's IT Project Council (Vice Chairman)
- The Danish Growth Capital Fund
- Board Leadership Society in Denmark (Chairman)

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

Jens Olesen was appointed Vice President for Facility Design in December 2014. Prior to this, Jens Olesen has worked as Vice President for the Nordic Competence area and General Manager of the Pharma & Biotech Business Unit. 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.

HENRIK WULFF
Member of the NNE Pharmaplan Board since 2014

Henrik Wulff is the Senior Vice President of Product Supply at Novo Nordisk A/S. He joined Novo Nordisk in 1998 and has held a number of senior management positions in the company. He holds an MSc in manufacturing engineering and management from the Technical University of Denmark.

KJELL JOHANSSON
Member of the NNE Pharmaplan Board since 2013

Kjell Johansson is Chief Operational Officer and Executive Vice President in Recipharm AB. He has been with Recipharm AB since 2011 but has been working within the pharma industry for 30 years, hereof 24 years in AstraZeneca where he held different senior leadership positions within the manufacturing area. 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
(on maternity leave)
Employee-elected member of the NNE Pharmaplan Board since 2013

Nanna Bruun has worked in the Quality & Validation department since 2002 where she joined NNE Pharmaplan. She holds an MA in Literature from the University of Copenhagen. She has previously had other board memberships in Dansk Magisterforening and Amnesty International and she is currently chairman in NPA (NNE Pharmaplans Akademikerforening).

JESPER SCHUFRI MEYER
(substitute member for Nanna Bruun)
Employee-elected member of the NNE Pharmaplan Board since 2014

Jesper Schufri Meyer is Manager for the Project Manager department. He joined the company in 2001 and has worked as architect and project manager within buildings projects dedicated to the pharma industry. He holds an M. Cand.arch. from the Royal Danish Academy of fine Art from 1988.

FINANCIAL REVIEW 2014

Turnover and operating performance
In 2014, NNE Pharmaplan had a total turnover of DKK 1,846 million (2013: DKK 1,837), which is an increase of DKK 9 million or 0.5 percent compared to 2013.

The turnover was largely driven out of the Nordic region which accounts for 59.1 percent of the turnover. Turnover generated from customers outside the Novo Nordisk Group is 47 percent compared to 53 percent in 2013.

The operating profit in 2014 was DKK 55 million (2013: DKK 91 million), which corresponds to an operating profit margin of 3.0 percent (2013: 5.0 percent). The results reflected challenging conditions in several of our key markets – China, Germany and North America and a restructuring cost of DKK 25 million ensuring the best possible offset for our new strategy.

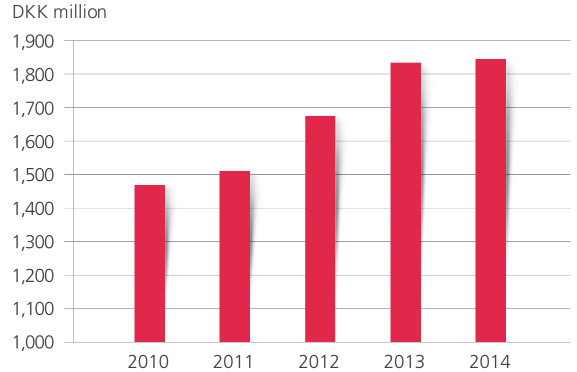
Net financials and tax
Net financials showed a loss of DKK 18 million in 2014 (2013: Loss of DKK 7 million). The net financials were negatively impacted by net foreign exchange losses of DKK 16 million (2013: DKK 7 million).

Total tax for the year was an expense of DKK 28 million (2013: Expense of DKK 27 million). The income taxes for the year were mainly impacted by adjustment to deferred tax asset, unrecognised realised tax loss carry-forward, and by the provision for the organisational changes resulting in an effective tax rate of 75.5 percent for the year (2013: 32.0 percent).

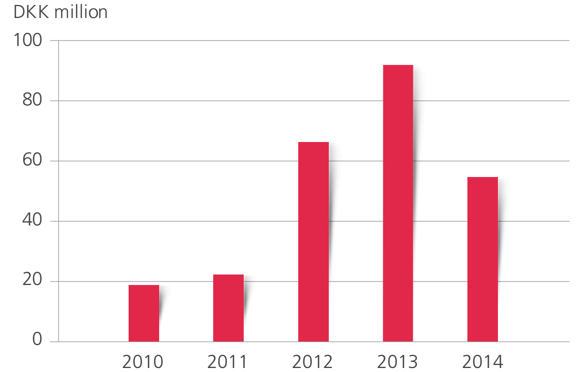
Net profit
The net profit was DKK 9 million, a decrease of DKK 48 million compared to 2013. This is mainly due to the organisational changes as well as an increase in net financial expenses of DKK 11 million.

Balance sheet
The total assets as at 31 December 2014 amounted to DKK 851 million, an increase of DKK 86 million compared to 2013.

TURNOVER



OPERATING PROFIT



Financial assets increased by DKK 14 million relating to fair value adjustment as well as acquisition of Novo Nordisk shares in 2014 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 2014 by DKK 91 million to DKK 408 million and are explained by an increase in the average credit period by 20 day to 79 days which is mainly due to changed payment terms towards Novo Nordisk A/S. The cash in bank and on hand decreased by DKK 31 million.

Current account projects as well as fixed-price projects increased the work in progress by DKK 4 million and prepayment on account for work in progress increased by DKK 11 million. The average period before invoicing work in progress is constant on 11 days (2013: 11 days).

The total liabilities has increased by DKK 97 million to DKK 627 million in 2014, primarily explained by an increase in retirement benefit obligations of DKK 28 million, increase of provision of DKK 37 million and short term borrowing from related parties of DKK 22 million.

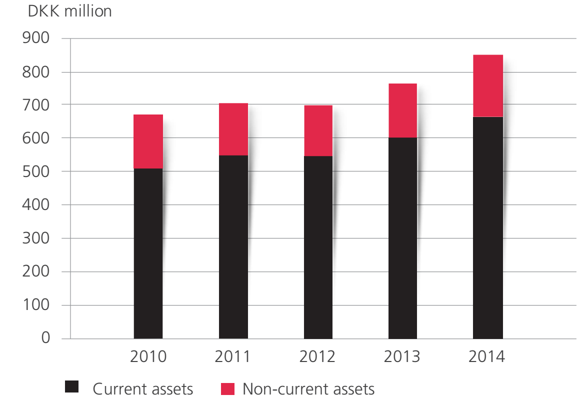
The 2014 equity decreased by DKK 11 million to DKK 224 million. The decrease in the equity is primarily explained by paid dividend of DKK 15 million in 2014. The solvency ratio was 26.3 percent (2013: 30.7 percent) by the end of December 2014.

Cash flow
The net change in cash and cash equivalents in 2014 is DKK -62 million (2013: DKK 31 million) which is mainly due to changed payment terms towards Novo Nordisk A/S.

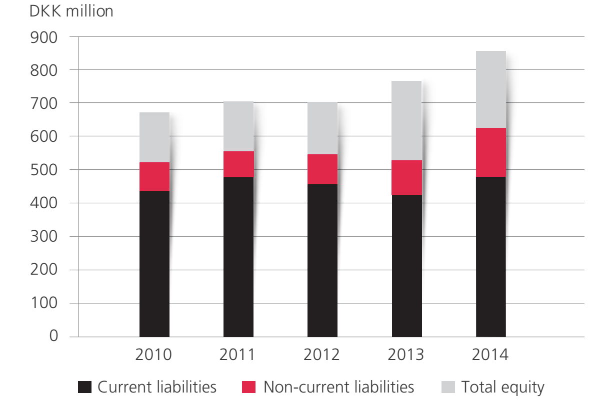
Proposed dividend
The Board of Directors proposes a dividend for the year of DKK 0 million (2013: DKK 15 million).

Post-balance-sheet events
No events have occurred after the end of the financial year with significant impact on the Group's financial position at 31 December 2014

ASSETS



EQUITY AND LIABILITIES



FINANCIAL HIGHLIGHTS AND RATIOS FOR NNE PHARMAPLAN GROUP

Financial Highlights (DKK 1,000)

	2014	2013	2012	2011	2010
Income Statement					
Turnover	1,846,159	1,836,691	1,673,452	1,504,273	1,466,356
Operating profit	55,115	91,475	65,688	22,334	18,467
Net financials	(18,030)	(7,021)	(15,985)	(5,891)	(11,076)
Profit (loss) before income taxes	37,085	84,454	49,703	16,443	7,391
Net profit/(loss)	9,082	57,439	35,294	1,139	5,529
Proposed dividend to shareholders	-	15,000	-	-	-
Assets					
Non-current assets	177,264	163,493	154,905	156,554	163,362
Current assets	673,846	601,704	552,032	549,218	508,024
Total assets	851,110	765,197	706,937	705,772	671,386
Capital expenditure net	15,690	6,283	(426)	10,932	4,518
Equity and liabilities					
Equity	224,188	235,087	156,352	147,948	146,643
Non-current liabilities	143,899	103,841	93,238	76,702	87,959
Current liabilities	483,023	426,269	457,347	481,122	436,784
Total equity and liabilities	851,110	765,197	706,937	705,772	671,386
Cash flow statement					
Cash flow from operating activities	(22,765)	54,879	85,566	53,527	208
Cash flow from investing activities	(23,822)	(23,447)	426	(10,932)	(4,518)
Cash flow from financing activities	(15,000)	-	(36,763)	(17,693)	(38,807)
Net change in cash and cash equivalents	(61,587)	31,432	49,229	24,902	(43,117)
Financial ratios					
Operating profit margin (EBIT margin)	3.0%	5.0%	3.9%	1.5%	1.3%
Profit margin before tax	2.0%	4.6%	3.0%	1.1%	0.5%
Return on equity	4.0%	29.3%	23.2%	0.8%	3.8%
Solvency ratio	26.3%	30.7%	22.1%	21.0%	21.8%
Payout ratio	-	26.1%	-	-	-
Dividend per share (DKK)	-	30	-	-	-
Number of employees at end of year (FTE)	1,813	1,754	1,659	1,668	1,649
Number of internal consultants at end of year (FTE)	224	266	209	203	172
Number of employees and internal consultants end of year (FTE)	2,037	2,020	1,868	1,871	1,821

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

CONSOLIDATED – INCOME STATEMENT

(DKK 1,000)

	Note	2014	2013
Turnover	2	1,846,159	1,836,691
Cost of projects	3,4	(1,576,857)	(1,537,222)
Gross profit		**269,302**	**299,469**
Sales and distribution costs	3,4	(79,412)	(76,491)
Administrative costs	3,4	(134,775)	(131,503)
Operating profit		**55,115**	**91,475**
Financial income	5	8,095	5,335
Financial expenses	6	(26,125)	(12,356)
Profit before income taxes		**37,085**	**84,454**
Income taxes	7	(28,003)	(27,015)
Net profit for the year		**9,082**	**57,439**

CONSOLIDATED – STATEMENT OF COMPREHENSIVE INCOME

	2014	2013
Net profit for the year	**9,082**	**57,439**
Items that will not be reclassified subsequently to the Income statement:		
Remeasurements on defined benefit plans	(23,131)	(1,111)
Income tax relating to items that will not be reclassified subsequently	6,276	2,628
Items that will be reclassified subsequently to the Income statement,when specific conditions are met:		
Exchange rate adjustment of investments in subsidiaries	13,980	(1,619)
Re-measuring of available for sale financial assets	(2,106)	(2,243)
Other comprehensive income for the year, net of tax	**(4,981)**	**(2,345)**
Total comprehensive income for the year	**4,101**	**55,094**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2014	2013
Assets			
Intangible assets	8, 9	80,202	69,857
Property, plant and equipment	10	10,720	15,269
Available-for-sale	11	4,198	6,319
Deferred income tax assets	18	47,894	51,859
Financial assets	12, 24	32,636	18,172
Other financial assets		1,614	2,017
Total non-current assets		**177,264**	**163,493**
Work in progress	13	115,183	110,979
Trade receivables	14	157,308	193,827
Receivables from related parties	24	250,323	123,284
Tax receivables	19	9,266	5,209
Other receivables and prepayments	15	38,139	33,453
Cash at bank and on hand		103,627	134,952
Total current assets		**673,846**	**601,704**
Total assets		**851,110**	**765,197**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2014	2013
Equity and liabilities			
Share capital	16	500	500
Retained earnings		215,224	237,082
Other reserves		8,464	(2,495)
Total equity		**224,188**	**235,087**
Deferred income tax liabilities	18	1,163	1,748
Retirement benefit obligations	21	108,641	80,644
Provisions	20	34,095	21,449
Total non-current liabilities		**143,899**	**103,841**
Payments on account for work in progress	13	57,552	46,104
Trade payables		55,111	46,827
Short term borrowing		8,842	2,680
Short term borrowing from related parties	24	22,161	-
Payables to related parties	24	5,192	3,765
Tax payables	19	1,993	14,988
Other liabilities	17	303,958	308,490
Provisions	20	28,214	3,415
Total current liabilities		**483,023**	**426,269**
Total liabilities		**626,922**	**530,110**
Total equity and liabilities		**851,110**	**765,197**
Commitments and contingencies	22		
Other notes	23-29		

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

(DKK 1,000)

	Note	2014	2013
Operating activities			
Operating profit		**55,115**	**91,475**
Reversals with no effect on cash flow	26	45,575	21,972
(Increase)/decr. in trade receivables, work in progress and prepayments etc		(77,514)	(66,204)
Increase/(decr.) in trade payables and other payables etc		5,901	37,344
Cash flow from operating activities before financials		**29,077**	**84,587**
Financial income	5	8,095	5,335
Financial expenses	6	(26,125)	(12,356)
Cash flow from operating activities before tax		**11,047**	**77,566**
Income taxes paid	7, 19	(33,812)	(22,687)
Cash flow from operating activities		**(22,765)**	**54,879**
Investments			
Purchase of shares in Novo Nordisk A/S	12	(8,132)	(17,164)
Purchase of intangible and tangible assets (net)		(15,690)	(6,283)
Cash flow from investing activities		**(23,822)**	**(23,447)**
Financing			
Share-based payments		-	(23,641)
Capital grant from Novo Nordisk A/S	24	-	23,641
Paid dividend	24	(15,000)	-
Cash flow from financing activities		**(15,000)**	**-**
Net change in cash and cash equivalents		**(61,587)**	**31,432**
Cash and cash equivalents at the beginning of the year		132,272	103,559
Unrealised gain/(loss) on exchange rate on cash and cash equivalents		1,939	(2,719)
Cash and cash equivalents at the end of the year		**72,624**	**132,272**
Net cash and cash equivalents at the end of the year:			
Cash at bank and on hand		103,627	80,833
Short term borrowing		(8,842)	(2,680)
Cash Pool	24	(22,161)	54,119
Cash and cash equivalents at the end of the year		**72,624**	**132,272**
Maximum drawing facility, including Cash Pool arrangement with the Novo Nordisk Group		146,635	105,905
Financial ressources at the end of the year		**219,259**	**238,177**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

			Other reserves		
2014	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Adjustments and exchange rate etc**	**Total**
Balance at the beginning of the year	**500**	**237,082**	**1,137**	**(3,632)**	**235,087**
Profit for the period	-	9,082	-	-	9,082
Other comprehensive income	-	(16,855)	-	11,874	(4,981)
Total comprehensive income		**(7,773)**	**-**	**11,874**	**4,101**
Transactions with owners, recognised directly in equity:					
Dividend 2013	-	(15,000)	-	-	(15,000)
Options exercised	-	915	(915)	-	-
Balance at the end of the year	**500**	**215,224**	**222**	**8,242**	**224,188**

			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**

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 81-91, 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 2014 is DKK 57.6 million (2013: DKK 64.9 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 2014 was DKK 62.1 million (2013: DKK 61.5 million). Please refer to note 8 and 9 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 8.4 million at 31 December 2014 (2013: DKK 6.8 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 future taxable income is based on board of directors approved financial budgets covering a five year period.

The carrying amount of deferred tax assets and deferred tax liabilities is DKK 47.9 million (2013: DKK 51.9 million) and DKK 1.1 million (2013: DKK 1.7 million) respectively at 31 December 2014. The tax value of a tax loss of DKK 72.4 million (2013: DKK 63.3 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
Based on an assessment of new or amended and revised accounting standards and interpretations ('IFRSs') issued by IASB and IFRS's endorsed by the European Union effective on or after 1 January 2014, it has been assessed that the application of these new IFRS's has not had a material impact on the Consolidated financial statements in 2014 and Management does not anticipate any significant impact on future periods from the adoption of these new IFRS's.

New or amended IFRSs that have been issued but have not yet come into effect and have not been early adopted

In addition to the above, IASB has issued a number of new or amended and revised accounting standards and interpretations that have not yet come into effect. The following standards are in general expected to change current accounting regulation most significantly:

- IASB has issued IFRS 9 'Financial Instruments', with effective date 1 January 2018. It currently awaits EU endorsement. IFRS 9 is part of the IASB's project to replace IAS 39, and the new standard will substantially change the classification and measurement of financial instruments and hedging requirements. NNE Pharmaplan has assessed the impact of the standard and determined that it will not have any significant impact on the Consolidated financial statements.

- IASB has issued IFRS 15 'Revenue from contracts with customers', with effective date 1 January 2017. It currently awaits EU endorsement. IFRS 15 is part of the convergence project with FASB to replace IAS 18. The new standard will establish a single, comprehensive framework for revenue recognition. NNE Pharmaplan have assessed the impact of the standard and determined that it will not have any significant impact on the Consolidated financial statements
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- IASB has issued re-exposure draft on IAS 17 'Leasing'. Depending on the wording of the final standard, the change in lease accounting is expected to require capitalisation of the majority of the Group's operational lease contracts, representing less than 10% of total assets, with a minor impact on the Group's assets, liabilities and financial ratios, and no significant impact on net profit.

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.

The result of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition and up to the effective date of disposal, as appropriate. Comparative figures are not restated 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 contracts 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 market 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 forward is included in deferred tax assets to the extent that the tax losses and other tax assets are expected to be utilised in future taxable income. The deferred income taxes are measured according to the current tax rules and at tax rates expected to be in force at the elimination of the temporary differences.

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

Intangible assets

Goodwill

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

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

Other intangible assets

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

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

Patents	10 years
ERP system and software	3-5 years
Trademark	10 years
Contracts	3 years
Customer lists	3-10 years

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 2014 was DKK 2.6 million (2013: DKK 3.9 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 2014 was DKK 0 million (2013: DKK 0 million). Please refer to note 8 for further details.

ERP systems and software
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 three to 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 related. The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the dates of valuation and is based on actuarial assumptions primarily regarding discount rates used in determining the present value of benefits, projected rates of remuneration growth. Discount rates are based on the marked yields of high-rated corporate bonds in the country concerned.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in the Income statement.

Pension assets are only recognised to the extent that the Group is able to derive future economic benefits such as refunds from the plan or reductions in future contributions. The Group's contributions to defined contribution plans are charged to the Income statement in the year to which they relate.

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

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	$\frac{\text{Total dividend for the year x 100}}{\text{Net profit}}$
Dividend per share	$\frac{\text{Dividend}}{\text{Number of shares}}$

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013
Note 2 Turnover		
Sales value of engineering sales	1,743,460	1,726,263
Sales value of other service sales	102,699	110,428
Total	**1,846,159**	**1,836,691**

Turnover consists of 53% (47% in 2013) to companies in the Novo Nordisk Group, 4% (3% in 2013) to the Novozymes Group and 43% (50% in 2013) to other customers. The distribution is 56% (48% in 2013) in Denmark and 44% (52% in 2013) abroad.

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

	2014	2013
Note 3 Employee costs		
Wages and salaries	914,481	836,480
Pensions defined contribution plans	87,429	82,507
Pensions defined benefit plans (note 21)	10,089	8,988
Share-based payment costs (note 25)	5,711	3,458
Other social security contributions	50,985	46,306
Other employee costs	43,070	44,620
Total	**1,111,765**	**1,022,359**
Included in the Income statement under the following headings:		
Cost of projects	951,509	884,616
Sales and distribution costs	50,712	43,145
Administrative costs	109,544	94,598
Total	**1,111,765**	**1,022,359**

NOTES – CONSOLIDATED
(DKK 1,000)

	2014	2013
Note 3 Employee costs (continued)		
Average number of full-time employees	1,790	1,725
At the end of the year the Group had 1,813 full time employees compared to 1,754 at year end 2013.		
Management's remuneration and share-based payments:		
Fees to Board of Directors	1,094	924
Salary, cash bonus etc. to Executive Management	2,834	3,009
Pension contribution to Executive Management	658	661
Share-based payment to Executive Management (note 25)	974	832
Salary, cash bonus etc to NNE Pharmaplan Management	19,548	18,473
Pension contribution to NNE Pharmaplan Management	1,427	1,396
Share-based payment to NNE Pharmaplan Management	2,053	1,837
Total	**28,588**	**27,132**

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.

	2014	2013
Note 4 Depreciation, amortisation and impairment losses		
Depreciation and amortisation are derived from:		
Intangible assets	3,529	4,940
Property, plant and equipment	7,259	6,693
Total	**10,788**	**11,633**
Included in the Income statement under the following headings:		
Cost of projects	9,017	9,875
Sales and distribution costs	361	367
Administrative costs	1,410	1,391
Total	**10,788**	**11,633**

NOTES – CONSOLIDATED
(DKK 1,000)

	2014	2013
Note 5 Financial income		
Interest income on short-term bank deposits	145	174
Other financial income	662	436
Unrealised capital gains on shares	6,332	1,008
Unrealised/realised adjustments on provisions	-	786
Unrealised/realised foreign exchange gains	956	2,931
Total	**8,095**	**5,335**

	2014	2013
Note 6 Financial expenses		
Interest expenses on loans to related parties (note 24)	43	-
Other interest expenses	520	388
Unrealised/realised adjustments on provisions (share-based payment, note 20)	6,574	-
Unrealised/realised foreign exchange loss	17,081	10,169
Other financial expenses	1,907	1,799
Total	**26,125**	**12,356**

	2014	2013
Note 7 Income taxes		
Current tax on profit for the year (note 19)	21,083	23,728
Deferred tax on profit for the year (note 18)	2,647	(3,311)
Tax on profit for the year	**23,730**	**20,417**
Adjustments related to previous years – deferred tax (note 18)	7,710	5,843
Adjustments related to previous years – current tax (note 19)	(3,437)	755
Total	**28,003**	**27,015**

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.

	2014	2013
Computation of effective tax rate:		
Statutory corporate income tax rate in Denmark	24.5%	25.0%
Adjustments to previous years	(9.3%)	(2.7%)
Adjustments to deferred tax assets	20.2%	0.0%
Non-tax income less non-tax deductible expenses	0.6%	2.7%
Tax loss carry-forward, not recognised	46.6%	2.9%
Changes in tax rate from 2013 to 2014 and 2014 to 2015	0.9%	0.8%
Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate	(8.0%)	3.3%
Effective tax rate	**75.5%**	**32.0%**

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013
Note 7 Income taxes (continued)		
Tax on other comprehensive income for the year (income)/expenses	6,276	2,628
Income taxes paid		
Income taxes paid in Denmark	22,641	13,689
Income taxes paid outside Denmark	11,171	8,998
Total income taxes paid	**33,812**	**22,687**

Note 8 Intangible assets

2014	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Intangible assets under construction	Total
Cost at 1 January	61,538	955	25,339	5,478	13,164	51,265	-	157,739
Additions during the year	-	-	-	-	-	3,032	10,143	13,175
Disposals during the year	-	-	-	-	-	(9,902)	-	(9,902)
Exchange rate adjustments	593	63	(57)	(38)	-	42	-	603
Cost at 31 December	**62,131**	**1,018**	**25,282**	**5,440**	**13,164**	**44,437**	**10,143**	**161,615**
Depreciation and impairment losses at 1 January	-	856	25,339	4,509	9,219	47,959	-	87,882
Depreciation for the year	-	55	-	365	1,317	1,792	-	3,529
Disposals during the year	-	-	-	-	-	(9,902)	-	(9,902)
Exchange rate adjustments	-	50	(57)	(26)	-	(63)	-	(96)
Depreciation and impairment losses at 31 December	-	**961**	**25,282**	**4,848**	**10,536**	**39,786**	**-**	**81,413**
Carrying amount at 31 December	**62,131**	**57**	**-**	**592**	**2,628**	**4,651**	**10,143**	**80,202**

2013	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Intangible assets under construction	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**

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	
	2014	2013	2014	2013	2014	2013
Carrying amount of goodwill	**56,966**	**56,971**	**5,165**	**4,567**	**62,131**	**61,538**

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 5.6% (2013: 6.6%). The average operating profit margin is 5 to 8% (2013: 4 to 8%). The growth rate used to extrapolate the cash flows of the Pharmaplan Group beyond the five-year period is 0% (2013: 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 5.5% (2013: 6.6%). The average operating profit margin is -4 to 5% (2013: -4 to 2%). The growth rate used to extrapolate the cash flows of NNE Pharmaplan Inc. beyond the five-year period is 0% (2013: 0%).

NOTES – CONSOLIDATED

(DKK 1,000)

Note 10 Property, plant and equipment

2014	**Leasehold improvements**	**Other equipment**	**Total**
Cost at 1 January	8,190	66,933	75,123
Additions during the year	9	2,219	2,228
Disposals during the year	-	(27,850)	(27,850)
Exchange rate adjustments	465	859	1,324
Cost at 31 December	**8,664**	**42,161**	**50,825**
Depreciation and impairment losses at 1 January	4,333	55,521	59,854
Depreciation for the year	1,720	5,539	7,259
Disposals during the year	-	(27,739)	(27,739)
Exchange rate adjustments	51	680	731
Depreciation and impairment losses at 31 December	**6,104**	**34,001**	**40,105**
Carrying amount at 31 December	**2,560**	**8,160**	**10,720**
Financially leased assets amount to	**-**	**317**	**317**

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

2013	**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.

NOTES – CONSOLIDATED

(DKK 1,000)

Note 11 Available-for-sale	**2014**	**2013**
Value at 1 January	6,319	8,562
Fair value adjustment	(2,106)	(2,243)
Exchange rate adjustments	(15)	-
Value at 31 December	**4,198**	**6,319**

Available-for-sales assets relate to shares in Abu Dhabi Medical Devices Company Ltd.

Note 12 Financial assets		
Fair value at the end of the year	**32,636**	**18,172**
Orginal acquisition cost	8,132	17,164
Total number of shares	125,380	91,410
Non-Current	**32,636**	**18,172**
Current	-	-
Total	**32,636**	**18,172**

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

Note 13 Work in progress and prepayments on account for work in progress

Classified in the balance as shown below:

	Work in progress	**Prepayments on account**	**Total**	**Total**
Current assets	1.627.366	(1.512.183)	115.183	110.979
Current liabilities	781.428	(838.980)	(57.552)	(46.104)
Total	**2.408.794**	**(2.351.163)**	**57.631**	**64.875**

NOTES – CONSOLIDATED
(DKK 1,000)

	2014	2013
Note 14 Trade receivables		
Trade receivables (gross)	**165,668**	**200,603**
Allowance for doubtful trade receivables:		
Balance at the beginning of the year	(6,776)	(4,872)
Change in allowance during the year	(2,724)	(3,087)
Realised losses during the year	1,109	744
Exchange rate adjustments	31	439
Balance at the end of the year	**(8,360)**	**(6,776)**
Trade receivables (net)	**157,308**	**193,827**
Trade receivables (net) can be specified as follows:		
Neither past due nor impaired	116,316	130,351
Past due:		
Between 1 and 90 days	35,146	48,519
Between 91 and 180 days	3,273	12,979
Between 181 and 270 days	1,423	1,356
Between 271 and 360 days	924	236
More than 360 days	226	386
Trade receivables (net)	**157,308**	**193,827**

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

	2014	2013
Note 15 Other receivables and prepayments		
Prepaid rent	302	532
Prepaid IT costs	4,593	2,780
Other prepaid costs	10,585	10,375
Accrued income	5,539	1,632
Deposits	6,891	6,457
Employee costs	1,209	2,084
Other receivables	9,020	9,593
Total	**38,139**	**33,453**

NOTES – CONSOLIDATED
(DKK 1,000)

	2014	2013
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.

	2014	2013
Note 17 Other liabilities		
Employee costs payable	203,778	198,271
VAT, taxes and other contributions to social security	29,325	23,127
Accruals	69,600	75,375
Financial lease commitments	534	281
Other payables	721	11,436
Total	**303,958**	**308,490**

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)

Note 18 Deferred tax assets/Deferred tax liabilities	**2014**	**2013**
At the beginning of the year	50,111	50,890
Deferred tax on profit for the year (note 7)	(2,647)	3,311
Adjustments related to previous years (note 7)	(7,710)	(5,843)
Deferred tax on items recognised in Other comprehensive income	6,276	2,628
Exchange rate adjustments	701	(875)
Total deferred tax assets/liabilities (net)	**46,731**	**50,111**

2014	**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	1,190	4,814	5,973	22,665	18,868	685	(2,336)	51,859
Deferred tax liabilities at 1 January	(1,747)	(6)	(2,029)	-	-	(302)	2,336	(1,748)
Net deferred tax assets/(liabilities) at 1 January	**(557)**	**4,808**	**3,944**	**22,665**	**18,868**	**383**	**-**	**50,111**
Exchange rate adjustments	82	95	113	(66)	410	67	-	701
Income/(charge) to the Income statement	(343)	(963)	(10,025)	(8,676)	9,175	475	-	(10,357)
Other comprehensive income	-	-	-	-	6,276	-	-	6,276
Deferred tax assets/(liabilities) at 31 December	**(818)**	**3,940**	**(5,968)**	**13,923**	**34,729**	**925**	**-**	**46,731**
Specified as follows:								
Deferred tax assets at 31 December	463	3,940	222	13,923	34,729	944	(6,327)	47,894
Deferred tax liabilities at 31 December	(1,281)	-	(6,190)	-	-	(19)	6,327	(1,163)
Net deferred tax assets/(liabilities) at 31 December	**(818)**	**3,940**	**(5,968)**	**13,923**	**34,729**	**925**	**-**	**46,731**

Tax losses carried forward

The tax value of tax losses carried forward of DKK 72.4 million (2013: DKK 63.3 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 70 million after more than five years.

NOTES – CONSOLIDATED

(DKK 1,000)

Note 18 Deferred tax assets/Deferred tax liabilities (continued)

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 liabilities at 1 January	(2,640)	(12)	(7,993)	-	(92)	(664)	8,667	(2,734)
Net deferred tax assets/(liabilities) 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 assets/(liabilities) at 31 December	**(557)**	**4,808**	**3,944**	**22,665**	**18,868**	**383**	**-**	**50,111**
Specified as follows:								
Deferred tax assets at 31 December	1,190	4,814	5,973	22,665	18,868	685	(2,336)	51,859
Deferred tax liabilities at 31 December	(1,747)	(6)	(2,029)	-	-	(302)	2,336	(1,748)
Net deferred tax assets/(liabilities) at 31 December	**(557)**	**4,808**	**3,944**	**22,665**	**18,868**	**383**	**-**	**50,111**

Note 19 Tax receivables/tax payables	**2014**	**2013**
At the beginning of the year	(9,779)	(7,138)
Corporation tax paid during the year	12,700	22,263
Prepaid tax	21,112	424
Adjustments related to previous years (note 7)	3,437	(755)
Current tax for the year (note 7)	(21,083)	(23,728)
Exchange rate adjustments	886	(845)
Total tax receivables/(tax payables)	**7,273**	**(9,779)**
Classified in the balance as shown below:		
Current assets	9,266	5,209
Current liabilities	(1,993)	(14,988)
Total	**7,273**	**(9,779)**

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013

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	1,775	6,558	3,403	10,920	2,208	24,864	43,448
Additions during the year	1,576	607	980	5,711	25,370	34,244	8,985
Unused amounts reversed	(301)	-	-	-	(1,229)	(1,530)	(2,431)
Used during the year	(557)	(788)	-	(431)	(452)	(2,228)	(24,123)
Value adjustment	-	-	-	6,574	-	6,574	(786)
Exchange rate adjustments	(7)	97	152	-	143	385	(229)
Provisions at 31 December	**2,486**	**6,474**	**4,535**	**22,774**	**26,040**	**62,309**	**24,864**

	2014	2013
Specification of provisions:		
Current provisions	28,214	3,415
Non-current provisions	34,095	21,449
Total	**62,309**	**24,864**

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013

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	58,861	61,992	478	121,331	109,530
Current service cost	1,525	5,862	135	7,522	6,487
Interest cost	2,173	1,364	-	3,537	3,256
Remeasurements (gains)/losses [1]	15,762	3,898	-	19,660	724
Benefits paid to employees	(1,046)	1,317	-	271	(472)
Other	-	2,336	-	2,336	2,553
Exchange rate adjustments	(132)	1,049	(1)	916	(747)
At the end of the year	**77,143**	**77,818**	**612**	**155,573**	**121,331**

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

	Germany	Switzerland	Other	Total	Total
Fair value of plan assets of the year:					
Beginning of the year	-	40,209	478	40,687	34,384
Interest income	-	898	27	925	734
Remeasurements gains/(losses)	-	(3,471)	-	(3,471)	(387)
Employer contributions	-	4,352	107	4,459	3,564
Benefits paid (to)/by employees	-	1,317	-	1,317	335
Other	-	2,336	-	2,336	2,553
Exchange rate adjustments	-	679	-	679	(496)
At the end of the year	**-**	**46,320**	**612**	**46,932**	**40,687**
Net retirement benefit obligations at the end of the year (unfunded)	**77,143**	**31,498**	**-**	**108,641**	**80,644**

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

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013
Note 21 Retirement benefit obligations (continued)		
Net retirement obligations recognised in the Balance sheet:		
At the beginning of the year	80,644	75,146
Remeasurements recognised in statement of the comprehensive income	23,131	1,111
Recognised in the Income statement	10,089	8,988
Employeer contributions	(4,459)	(3,564)
Benefit paid to employees, net	(1,046)	(807)
Exchange rate adjustments	282	(230)
At the end of the year	**108,641**	**80,644**
Costs recognised in the Income statement for the year		
Current service cost	7,522	6,487
Interest cost on pension obligation	3,537	3,256
Remeasurements (gains)/losses	(925)	(734)
Exchange rate adjustments	(45)	(21)
Total expenses included in employee costs	**10,089**	**8,988**
Cost recognised on Other comprehensive income		
Remeasurements (gains)/losses	23,131	1,111
Total	**23,131**	**1,111**
Included in the Income statement under employee costs under the following headings:		
Cost of projects	8,573	7,902
Sales and distribution costs	530	373
Administrative costs	986	713
Total	**10,089**	**8,988**

The Group expects to contribute DKK 10.2 million to its defined benefit pension plans in 2015 (2014: DKK 8.3 million).
It is not expected that the contribution over the next five years will differ significantly from current contributions.

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013
Note 21 Retirement benefit obligations (continued)		
Weighted average asset allocation of funded retirement obligations		
Equities	21%	19%
Bonds	36%	36%
Property	24%	24%
Cash	9%	10%
Other	10%	11%
Assumptions used for valuation		
Discount rate	2%	3%
Projected return on plan assets	2%	2%
Projected future remuneration increases	0%	0%
Inflation rate	0%	0%

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	30,710	(34,380)
Future remuneration	(6,850)	6,643

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)

	2014	2013
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 50.1 million in 2014 and DKK 48.8 million in 2013.
Approximately 33% (2013: 34%) 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 office lease in Chippenham, United Kingdom. This leasing is non-cancellable for 12 years for NNE Pharmaplan.

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

	2014	2013
Within one year	43,331	45,383
Between one and two years	30,665	33,254
Between two and three years	25,910	25,970
Between three and four years	22,429	22,603
Between four and five years	19,377	18,820
After five years	36,917	47,864
Total	**178,629**	**193,894**

Other commitments

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

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

	2014	2013
Within one year	30,628	16,028
Between one and two years	3,851	12
Between two and three years	206	14
Between three and four years	65	-
Between four and five years	-	-
Total	**34,750**	**16,054**

Guarantees

	2014	2013
Bank guarantees	30,893	40,374
Total	**30,893**	**40,374**

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

Pending litigation against NNE Pharmaplan

NNE Pharmaplan Group is engaged in a few 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)

	2014	2013
Note 23 Fees to statutory auditors		
Statutory audit fee to PwC	2,768	2,430
Audit-related services	86	203
Tax advisory services	309	200
Total	**3,163**	**2,833**

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, the Xellia 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:

	2014	2013
Value of services sold		
The Novo Nordisk Group	987,890	860,608
The Novozymes Group	40,904	47,827
Novo A/S	18	995
Xellia Pharmaceuticals ApS	24,420	921
Total	**1,053,232**	**910,351**
Value of services acquired		
The Novo Nordisk Group	26,533	23,614
Total	**26,533**	**23,614**
Financial income		
The Novo Nordisk Group (dividend received)	411	329
Total	**411**	**329**
Financial expenses		
The Novo Nordisk Group	43	-
Total	**43**	**-**
Dividend		
The Novo Nordisk Group	15,000	-
Total	**15,000**	**-**

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013
Note 24 Transactions with related parties (continued)		
Receivables		
The Novo Nordisk Group	228,716	108,821
The Novozymes Group	19,888	14,296
Xellia Pharmaceuticals ApS	1,719	167
Total	**250,323**	**123,284**
Cash and Cash Equivalents		
The Novo Nordisk Group	(22,161)	54,119
Total	**(22,161)**	**54,119**
Payables		
The Novo Nordisk Group	5,023	3,692
The Novozymes Group	169	73
Total	**5,192**	**3,765**
Shares Novo Nordisk A/S		
Non-current	32,636	18,172
Current	-	-
Total	**32,636**	**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)

	2014	2013
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 5 months' base salary (8 months' base salary plus pension contribution for the CEO) 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.

	2014	2013
Long-term share-based incentive programme	5,711	3,458
Total cost of share-based payment for the year	**5,711**	**3,458**
Included in the Income statement under the following headings:		
Cost of projects	4,853	3,041
Sales and distribution costs	300	143
Administrative costs	558	274
Total	**5,711**	**3,458**
This amount can be specified as follow:		
Executive Management	974	832
Other employees	4,737	2,626
Total	**5,711**	**3,458**
Financial income/(expenses), realised and unrealised loss (note 5, 6)	(242)	786
The liability of the long-term share-based incentive programme	**22,774**	**10,920**

NOTES – CONSOLIDATED

(DKK 1,000)

	2014	2013

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 2014.

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 value at year end was DKK 6.5 mill. calculated as the difference between the market value on December 31, 2014 and the strike price.

Outstanding share options in Novo Nordisk A/S

	NNE Pharmaplan Management and Senior Executives number	Total number	Average exercise price (DKK 1,000)	Fair value (DKK 1,000)
Outstanding at 1 January 2014	134,500	134,500	34	21,599
Granted in 2014	-	-	-	-
Exercised in 2014	(109,500)	(109,500)	34	(17,615)
Value adjustment	-	-	-	2,524
Outstanding at 31 December 2014	**25,000**	**25,000**	**35**	**6,508**
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**

	Issued share options number	Exercised share options number	Outstanding exercisable share options number	Exercise price (DKK)	Exercise period
Share option plan for 2006	663,430	(638,430)	25,000	35.0	31/1 2010 - 30/1 2015
Exercisable share option plan at 31 December 2014	**663,430**	**(638,430)**	**25,000**		

NOTES – CONSOLIDATED

(DKK 1,000)

Note 26 Reversals with no effect on the cash flow

	2014	2013
Depreciation, including gain and loss on fixed assets sold	10,558	12,109
Change in provisions	37,445	5,058
Change in pensions etc	(2,428)	4,805
Total	**45,575**	**21,972**

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. Transactions of sales are in DKK, EUR, USD CHF, RUB, BRL, MYR, SEK and CNY. NNE Pharmaplan's foreign exchange risk is most significant in USD, RUB 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, RUB and CNY from the company's activities is low. A 10% change in USD, RUB and CNY currencies, other things being equal, will have a full-year impact on operating profit of approximately:

DKK million	2014	2013
CNY	1.5	3.1
RUB/EUR	1.5	2.3
USD	3.3	2.0

NOTES – CONSOLIDATED
(DKK 1,000)

Note 27 Financial risk management (continued)

Net investments in US, China, France, Germany, Sweden, Ireland, Belgium, Brazil and Hong Kong amounts to a total of DKK 29.9 million (2013: DKK 96.7 million).

DKK million	2014	2013
EUR	0.7	20.4
USD	(9.8)	8.9
CNY	58.8	61.2
SEK	1.1	8.8
CHF	(0.8)	5.9
INR	2.7	7.2
RUB	(17.4)	(14.4)
CZK	1.4	1.7
MYR	(2.4)	(0.3)
BRL	(3.3)	(0.3)
HKD	(0.9)	(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 94.8 million (2013: An asset of DKK 132.3 million).

At the end of 2014 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 0.9 million (2013: DKK 1.3 million).

Counterpart risk
Credit rating, supplied by a leading provider, are used in order to evaluate major clients and manage credit risk on an ongoing basis. In 2014 the five largest clients accounted for 67% (2013: 61%) 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 Novo Nordisk shares will result in a loss of DKK 3.3 million.

Liquidity risk
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.

All financial assets and liabilities are due within one year.

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 26.3% by the end of the year (2013: 30.7%).

The goal for the Group is to maintain an equity ratio in excess of 35% in order to reach a competetive level for our industry.

Carrying amounts and fair value of the financial assets and liabilities
As at 31 December 2014, 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.

Note 28 Financial instruments by category

The accounting policies for financial assets and liabilities have been applied to the line items below:

	2014		2013	
	Loans and receivables	Total	Loans and receivables	Total
Work in progress	115,183	115,183	110,979	110,979
Trade and other receivables	179,967	179,967	213,592	213,592
Receivables from related parties	250,323	250,323	123,284	123,284
Cash at bank and on hand	103,627	103,627	134,953	134,953
Assets as per 31 December	**649,100**	**649,100**	**582,808**	**582,808**

	2014		2013	
	Other financial liabilities	Total	Other financial liabilities	Total
Payments on account for work in progress	57,552	57,552	46,104	46,104
Trade payables	55,111	55,111	46,827	46,827
Short term borrowings	8,842	8,842	2,680	2,680
Payables to related parties	5,192	5,192	3,765	3,765
Other liabilities	303,958	303,958	308,490	308,490
Liabilities as per 31 December	**430,655**	**430,655**	**407,866**	**407,866**

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	1,000,000	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	229,890	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 2014 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 2014 for NNE Pharmaplan

INCOME STATEMENTS OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2014	2013
Turnover	2	1,143,545	1,071,533
Cost of projects	3	(940,840)	(890,179)
Gross profit		**202,705**	**181,354**
Sales and distribution costs	3	(38,017)	(37,884)
Administrative costs	3	(73,026)	(73,972)
Operating profit		**91,662**	**69,498**
Share of profit/loss in subsidiaries	9	(70,201)	10,087
Financial income	4	3,175	3,881
Financial expenses	5	(7,238)	(8,552)
Profit before income taxes		**17,398**	**74,914**
Income taxes	6	(15,896)	(25,191)
Net profit for the year		**1,502**	**49,723**
Proposed appropriation of net profit:			
Dividend to shareholders		-	15,000
Retained earnings		1,502	34,723
Total		**1,502**	**49,723**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2014	2013
Assets			
Intangible assets	7	11,967	186
Property, plant and equipment	8	2,598	4,708
Investments in subsidiaries	9	44,981	118,215
Deferred income tax assets		7,288	10,758
Financial assets	10	32,636	18,172
Total non-current assets		**99,470**	**152,039**
Work in progress and prepayments on accounts		39,385	26,355
Trade receivables		26,750	46,730
Receivables from related parties	13	332,236	200,277
Tax receivables		1,821	-
Other receivables		4,022	3,708
Prepayments		9,243	7,773
Cash at bank and on hand		121	54,924
Total current assets		**413,578**	**339,767**
Total assets		**513,048**	**491,806**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2014	2013
Equity and liabilities			
Share capital	11	500	500
Retained earnings		176,591	193,599
Total equity		**177,091**	**194,099**
Provisions		32,670	18,891
Total Provisions		**32,670**	**18,891**
Prepayments on account for work in progress		24,681	19,889
Trade payables		32,766	23,986
Payables to related parties	13	38,172	41,159
Short term borrowing related parties	13	22,161	-
Tax payables		-	12,039
Other liabilities		185,507	181,743
Total current liabilities		**303,287**	**278,816**
Total liabilities		**335,957**	**297,707**
Total equity and liabilities		**513,048**	**491,806**
Commitments	12		

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

(DKK 1,000)

2014	Share Capital	Reserve under the equity method	Retained earnings	Total
Balance at beginning of year	**500**	**-**	**193,599**	**194,099**
Exchange rate adjustments of investment in subsidiaries	-	-	13,345	13,345
Adjustment of investment in subsidiaries	-	-	(16,855)	(16,855)
Net income/(loss) recognised directly in equity	**-**	**-**	**(3,510)**	**(3,510)**
Net profit/(loss)	-	-	1,502	1,502
Proposed dividend	-	-	-	-
Total income/(loss)	**-**	**-**	**(2,008)**	**(2,008)**
Capital grant	-	-	-	-
Dividends paid	-	-	(15,000)	(15,000)
Balance end of year	**500**	**-**	**176,591**	**177,091**

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

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.

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 -17 million (2013: 2 million) in order to give a more true and fair view in accordance with the Danish Financial Statements Act.

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

Supplementary accounting policies for the Parent Company

Financial assets

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

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

To the extent net profit of subsidiaries exceeds declared dividend from such companies, net reval-uation 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)

	2014	2013
Note 2 Turnover		
Sales value of engineering sales	1,143,545	1,071,533
Total	**1,143,545**	**1,071,533**

	2014	2013
Note 3 Employee costs		
Wages and salaries	570,316	500,647
Pensions	49,503	43,884
Share-based payment costs	5,711	3,458
Other contributions to social security	8,020	6,705
Other employee costs	17,475	16,033
Total	**651,025**	**570,727**
Cost of projects		
Sales and distribution costs	572,347	500,000
Administrative costs	21,179	19,070
Total	57,499	51,657
Total	**651,025**	**570,727**

The average number of full-time employees in 2014 was 808 compared to 720 in 2013. At the end of 2014 the company had 852 full-time employees compared to 758 at year end 2013.

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

	2014	2013
Note 4 Financial income		
Interest income from group companies	542	1,012
Other financial income	2,633	2,869
Total	**3,175**	**3,881**

	2014	2013
Note 5 Financial expenses		
Interest expenses to group companies	58	4,509
Other financial expenses	7,180	4,043
Total	**7,238**	**8,552**

NOTES – PARENT COMPANY

(DKK 1,000)

Note 6 Income taxes

The Parent Company paid DKK 18.8 million in tax related to current year (DKK 7.7 million in 2013).

Note 7 Intangible assets

2014	ERP-system and software	Intangible assets under construction	Total
Cost at 1 January	40,922	-	40,922
Additions during the year	2,219	10,143	12,362
Disposals during the year	(1,097)	-	(1,097)
Cost at 31 December	**42,044**	**10,143**	**52,187**
Depreciation and impairment losses at 1 January	40,736	-	40,736
Depreciation for the year	581	-	581
Disposals during the year	(1,097)	-	(1,097)
Depreciation and impairment losses at 31 December	**40,220**	**-**	**40,220**
Carrying amount at 31 December	**1,824**	**10,143**	**11,967**

Note 8 Property, plant and equipment

2014	Other equipment
Cost at 1 January	42,513
Additions during the year	1,089
Disposals during the year	(19,004)
Cost at 31 December	**24,598**
Depreciation and impairment losses at 1 January	37,805
Depreciation for the year	3,199
Disposals during the year	(19,004)
Depreciation and impairment losses at 31 December	**22,000**
Carrying amount at 31 December	**2,598**

NOTES – PARENT COMPANY

(DKK 1,000)

Note 9 Investments in subsidiaries and joint ventures	2014	2013
Investments in subsidiaries		
Cost at 1 January	331,429	291,635
Additions during the year	478	41,135
Disposals during the year	-	(1,341)
Cost at 31 December	**331,907**	**331,429**
Revaluation at 1 January	(138,301)	(156,040)
Exchange rate adjustments	13,352	(41)
Net profit/(loss) for the year	(63,626)	17,341
Remeasurements pension and fair value adjustment	(16,856)	439
Revaluation at 31 December	**(205,431)**	**(138,301)**
Depreciation and impairment losses at 1 January	(74,913)	(67,659)
Exchange rate adjustments	(7)	-
Amortisation of goodwill	(6,575)	(7,254)
Impairment losses and depreciation at 31 December	**(81,495)**	**(74,913)**
Carrying amount at 31 December	**44,981**	**118,215**

Aggregated financial information of subsidiaries:

Company	Domicile	Share of ownership	Share capital	Net equity	Profit/Loss
NNE Pharmaplan sas	Chatres, France	100%	EUR 1,000,000	14,865	3,699
NNE Pharmaplan Inc.	Morrisville, United States	100%	USD 375,568	(9,800)	(18,327)
NNE Pharmaplan (Tianjin) Co. Ltd.	Tianjin, China	100%	USD 1,490,000	58,781	(8,564)
NNE Pharmaplan AB	Stockholm, Sweden	100%	SEK 100,000	1,105	(7,148)
NNE Pharmaplan GmbH	Bad Homburg, Germany	100%	EUR 550,000	(26,969)	(27,181)
NNE Pharmaplan Ltd.	Dublin, Ireland	100%	EUR 1	326	(14)
NNE Pharmaplan SA	Brussel, Belgium	100%	EUR 61.500	(4,195)	(2,113)
NNE Pharmaplan Consultoria LTDA	Sao Paulo, Bra il	100%	BRL 229,890	(3,254)	(3,553)
NNE Pharmaplan Hong Kong Limited	Hong Kong, China	100%	HKD 10.000	(881)	(425)
				29,978	**(63,626)**
Goodwill etc at 31 December				15,003	
Amortisation of goodwill etc					(6,575)
Total				**44,981**	**(70,201)**

NOTES – PARENT COMPANY

(DKK 1,000)

	2014	2013
Note 10 Other financial assets		

For information regarding other financial assets please refer to note 12 in the Consolidated notes.

Note 11 Share capital

	2014	2013
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 20.6 million in 2014 and DKK 19.8 million in 2013.

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

NOTES – PARENT COMPANY

(DKK 1,000)

Note 12 Commitments (continued)

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

	2014	2013
Within one year	34,457	31,399
Between one and two years	22,575	18,421
Between two and three years	18,640	17,450
Between three and four years	16,960	16,309
Between four and five years	16,454	15,167
After five years	29,024	40,526
Total	**138,110**	**139,272**

Guarantees		
Bank guarantees	30,360	37,302
Other guarantees	37,367	40,321
Total	**67,727**	**77,623**

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 2014.

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 2014, the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2014. 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, 9 March 2015

Executive Management

Morten Nielsen
President and CEO

Board of Directors

Lars Fruergaard Jørgensen
(Chairman)

Birgit W. Nørgaard
(Vice Chairman)

Henrik Wulff

Kjell Johansson

Jesper Schufri Meyer

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 2014, 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 2014 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2014 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 2014 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2014 in accordance with the Danish Financial Statements Act and Danish d isclosure 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, 9 March 2015

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Lars Holtug
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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