Annual Report 2015

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nne pharmaplan®
Focused pharma engineering

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NNE Pharmaplan in 2015

THE YEAR AT A GLANCE

- NNE Pharmaplan delivered a strong and satisfactory financial result, achieving an operating profit of DKK 109 million which corresponds to an operating profit margin of 5.3 percent
- Turnover increased by 11 percent to DKK 2,058 million driven by a record high order entry of DKK 2,624 million
- Jesper Kløve was appointed new CEO on 1 September 2015
- A new strategy towards 2021 was launched with the ambition of being the leading company to provide focused pharma engineering to our customers
- We developed and implemented a competency development programme, PEAK (Pharma Engineering Advanced Know-how), which is the most comprehensive investment in competency development in NNE Pharmaplan's history
- Loyalty and engagement amongst our employees continued to grow in 2015

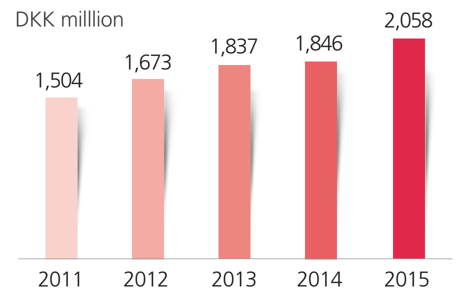
OUTLOOK FOR 2016

We enter 2016 with the best backlog ever, which raises expectations for even better financial performance in 2016

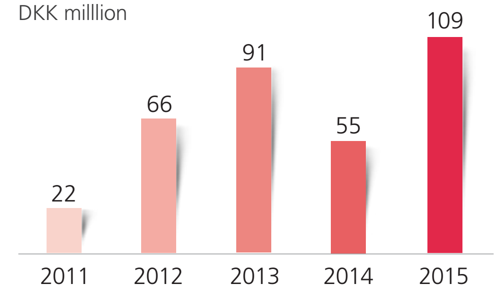
KEY FIGURES

INCOME STATEMENT (DKK MILLION)	2015	2014	2013	2012	2011
Turnover	2,058	1,846	1,837	1,673	1,504
Operating profit	109	55	91	66	22
Net profit	63	9	57	35	1
ASSETS & EQUITY (DKK MILLION)					
Total assets	993	851	765	707	706
Total equity	292	224	235	156	148
FINANCIAL RATIOS					
Operating profit margin (EBIT margin)	5.3%	3.0%	5.0%	3.9%	1.5%
Return on equity	24.3%	4.0%	29.3%	23.2%	0.8%
Solvency ratio	29.4%	26.3%	30.7%	22.1%	21.0%
PEOPLE					
Number of employees at end of year (FTE)	1,719	1,813	1,754	1,659	1,668

TURNOVER
DKK milllion



OPERATING PROFIT
DKK milllion



Focused pharma engineering pays off

CHAIRMAN AND CEO STATEMENT

2015 was a successful year for NNE Pharmaplan. We achieved an improved and satisfactory financial result, got off to a flying start with our new strategy, and enter 2016 with the best backlog ever.

NNE Pharmaplan delivered a strong and satisfactory operational financial performance despite the expected high level of competition in our key markets. Turnover increased by 11 percent to DKK 2,058 million. Operating profit was DKK 109 million, corresponding to an operating profit margin of 5.3 percent. The result is largely due to some large project wins with strategic customers and our improved performance in international operations.

FOCUS IS KEY TO SUCCEEDING

At NNE Pharmaplan, we believe we should always be highly specialised in what we do if we want to provide our customers with the best solutions. That is why, for many years, we have provided engineering services for the pharmaceutical industry. This year, we launched our new strategy towards 2021, which sets even greater focus on what we do best, namely pharma engineering. We focus on selected countries, strategic customers, core competencies and global best practices in order to support our customers and help solve their challenges in the complex and always-changing pharmaceutical industry. As our financial performance shows, our focused strategy has already had an impact. Read more about the different 2015 strategic initiatives in the 'Business strategy' section of this report.

2015 also marked a change in NNE Pharmaplan's top management. NNE Pharmaplan's CEO since 2011 Morten Nielsen passed the leadership to CEO Jesper Kløve on 1 September 2015.

EXPECTATIONS FOR 2016

We enter 2016 with the best backlog ever, which raises expectations for even better financial performance in 2016.

We have a good combination of large and mid-sized projects in the coming year – all within pharma engineering, which demands innovation and quality in the solutions we deliver. Consequently, we will continue to focus on bringing our vast experience within pharma engineering into play and to increase work sharing across our global offices. We will continue to ensure that our customers receive flexible operations and future-proof solutions with seamless Good Manufacturing Practice (GMP).

Jesper Kløve
CEO and President

Lars Fruergaard Jørgensen
Chairman of the NNE Pharmaplan Board

Kick-starting our strategy

BUSINESS STRATEGY

In 2015, NNE Pharmaplan launched a new strategy towards 2021 with the ambition of being the leading company to provide focused pharma engineering to customers.

The pharmaceutical industry is in a state of flux. The increased business uncertainty was labelled the "new pharma reality" by NNE Pharmaplan's customers when NNE Pharmaplan conducted an in-depth study in 2014 of tomorrow's successful pharmaceutical manufacturing sites. The new pharma reality has moved from operating in the relatively known reality towards a higher degree of uncertainty and complexity. This translates into a shift from site stability to site agility with an increasing need for engineering support to ensure agile and flexible manufacturing, future-proof solutions and seamless GMP compliance.

In the new strategy, we focus our efforts on three strategic change areas, which will further strengthen our ability to help customers meet their challenges: focus on strategic customers, strengthen core competencies and activate global best practice. The main initiatives to support these change areas undertaken in 2015 are explained below.

SUPPORTING OUR CUSTOMERS ON SITE
A key to success in the complex world of pharma engineering is being close to customers in order to understand their processes, requirements and needs. At NNE Pharmaplan, we have seen this in practice over many years, and we strengthened it even further in 2015. The closer we are to customers and their sites, the better we can support them. This site-based approach meets customers' needs for agility and flexibility, and it allows us to respond quickly to customer requests. NNE Pharmaplan's site support programme focuses on delivering continuous local support within a variety of pharma engineering services and solving production issues as they arise. This site-based approach meets customers' needs for agility and flexibility, and it allows us to respond quickly to customer requests.

BUILDING THE REQUIRED COMPETENCIES
Helping our customers solve their most complex challenges requires best in class pharma engineering competencies. We want our pharma engineers to advance their knowledge within their fields of expertise. In 2015, we developed and implemented the first phase of a new global competency development programme PEAK (Pharma Engineering Advanced Know-how). Read more about this in the 'People development' section on page 12.

MAKING OUR BEST PRACTICES AVAILABLE TO OUR CUSTOMERS
Our customers expect solutions based on global best practices from the industry. They also expect us to learn from our experience and continuously improve our services. Each year, NNE Pharmaplan delivers close to 3000 projects globally. With each new project, we need to build upon our experience and gain new knowledge. To deliver focused pharma engineering, we need to ensure that our knowledge and expertise is activated globally – across countries and projects. In 2015, NNE Pharmaplan introduced a new process for capturing, analysing, sharing and using our project learnings. This "Project Lessons Learned" process helps us ensure that customers get the value of our expertise and vast experience within pharma engineering.

STRATEGIC GOALS
Our vision is to be the leading pharma engineering company. We will achieve this vision by being trusted advisors to our customers, the preferred employer within pharma engineering, and delivering competitive and sustainable business results. We measure our success based on three predominant balanced goals. In 2015, we improved our performance in almost all our goals:

- The employee ambassador score of 34.6 percent is among the highest scores we have seen since we began conducting the survey. An increase from 32.5 percent in 2014
- We achieved satisfactory financial performance with a profit margin of 5.3 percent
- Unfortunately, we did not increase our ambassador score in the customer satisfaction survey, but the general level of satisfaction among our customers has increased

STRATEGIC GOALS

LOYAL AND SATISFIED CUSTOMERS	LOYAL AND ENGAGED EMPLOYEES	COMPETITIVE AND SUSTAINABLE BUSINESS RESULTS
50%	35%	6%
CUSTOMER AMBASSADORS	EMPLOYEE AMBASSADORS	PROFIT

Implementation with minimal production down-time

Agile planning resulted in a successful shut-down

Novo Nordisk needed to increase their API capacity at a facility in Denmark. And changes needed to be implemented fast to minimise the production down-time. NNE Pharmaplan meticulously planned eight weeks of summer shut-down which resulted in successful execution and completion ahead of schedule.

Novo Nordisk's capacity was insufficient at their API facility in Denmark to meet the market demand. This meant that Novo Nordisk needed to scale up the production but could not afford a summer shut-down of their facility that would take longer than what was absolutely necessary.

The project scope was to increase the API capacity by installing one additional freeze dryer and duplicating "like-to-like" of three in-process production steps. Installing these modules made it possible for Novo Nordisk to achieve the necessary cycle times and thereby almost double the capacity compared to before the change.

AGILE PLANNING AND COOPERATION IS CRUCIAL TO SUCCEED

The timespan for an actual site upgrade is extremely short and the deadlines are non-negotiable. This requires a lot from NNE Pharmaplan in both the planning and the execution phases. NNE Pharmaplan Project Manager Torben Kløvborg-Laustsen explains: "I minutely detailed every step of the plan. Each day during the eight weeks of execution, we conducted several meetings in the 'cockpit' and test office together with Novo Nordisk to ensure that everything worked out according to plan. Of course, some issues turned up, but we didn't leave the site before the tasks for the day were completed."

In actuality, the project began 1.5 years ago, as summer shut-downs require significant planning. In order to succeed during the eight weeks of shut-down, NNE Pharmaplan developed as much as possible off site before the eight week period began. "For instance, a completely new freeze dryer was built off site and installed in advance, and we did the Installation Qualification (IQ) off site, tested a lot of IT upgrades and finalised as many tests as possible," Kløvborg-Laustsen explains.

NNE Pharmaplan did not know from the start when Novo Nordisk would be ready to shut-down the facility which meant that NNE Pharmaplan needed to demonstrate agile behaviour in every step of the planning and execution of the project.

SITE PRESENCE CREATES VALUE

Shut-down projects require particularly close cooperation with the customer – going into every detail of the activities before, during and after the installation work. When the final adjustments and testing of this shut-down project is finalised, the NNE Pharmaplan site support team, which is on site, will be responsible again to provide services to Novo Nordisk at their site.

"The site-support team on site has also been part of the summer shut-down, as they have extensive knowledge about the customers' systems and expectations but also they are there to make sure that the changes we made during the summer shut-down are anchored going forward," Kløvborg-Laustsen says.

Senior Vice President Jan Hoff from Novo Nordisk also acknowledged the agile planning and close cooperation:
"I chose NNE Pharmaplan as the overall engineering partner during all project phases to ensure stability, lower risk and because they know us so well. The most crucial issue for me was to get a smooth and safe execution with no delays – and I got that. Overall, I am very satisfied with the performance from NNE Pharmaplan."

CASE STORY

FACTS

Customer
Novo Nordisk

Country
Denmark

Challenge
Increase the API capacity with minimal production down-time

Solution
Reduced shut-down and upgraded the facility with agile and flexible operations

List of service provided
CD, BD, EPCMV, Automation and IT

Project duration
The summer shut-down was planned over 1.5 years but executed in 8 weeks (week: 27-34 in 2015) The final testing and adjustments were executed during the autumn 2015

Getting to the core
of competency development

PEOPLE DEVELOPMENT

Delivering focused pharma engineering solutions to our customers requires best in class pharma engineers. In 2015, NNE Pharmaplan developed and implemented NNE Pharmaplan's most comprehensive investment in competency development.

To deliver focused pharma engineering to our customers, we need the best people in the industry, as our greatest asset is our people. Additionally, since we work in a highly regulated industry that requires very specific knowledge, we need to ensure we provide the appropriate knowledge and competencies to our customers worldwide.

That is why we have invested in employees by strengthening the competencies that are core to NNE Pharmaplan. One of the major components of this initiative is the PEAK programme, or Pharma Engineering Advanced Know-how, which is the largest and most comprehensive investment in competency development in NNE Pharmaplan's history.

PEAK focuses on a set of core areas in which we must excel. We determined these areas by analysing customer needs. Our senior specialists, together with local and regional management teams, then developed a competency framework based on these needs. In 2015, we selected three core areas to address first: GMP application, agile engineering and consultative engineering.

PEAK uses a blended-learning approach involving a diverse range of learning methodologies. This includes traditional classroom training in addition to webinars and e-learning modules – but courses alone is not enough. Education, exposure and on-the-job learning are all essential. We believe it is much easier to anchor what you learn by applying it in practice.

NNE Pharmaplan's own internal experts – some of the best in the industry – provided all of the course content and led the training. This meant we needed to develop these subject matter experts and their training skills to enable them to share what they know. We also introduced a career development process to help provide our senior specialists with more opportunities to advance and grow.

TALENT DEVELOPMENT

NNE Pharmaplan is an ambitious organisation. We offer country-specific and global programmes that will help high-performing employees reach their full potential. Our talent programmes – Sprouthouse, Greenhouse and Hothouse – target everybody from younger employees to senior managers and help participants build and strengthen their global network as well as accelerate their professional growth.

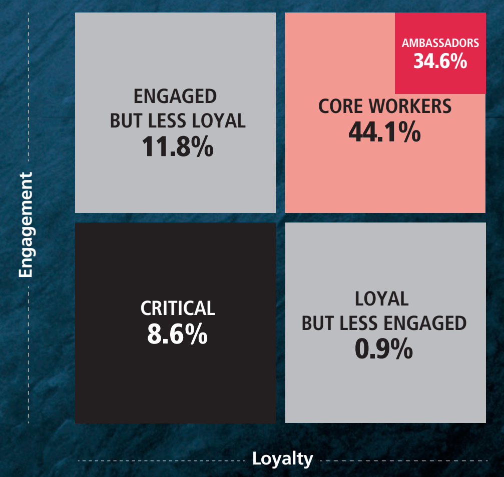
In 2015, the global Greenhouse programme was conducted in Denmark with participants from almost all countries in which NNE Pharmaplan is represented. Greenhouse's objective is to accelerate employees' personal and professional development by providing them with solid insight and understanding of their personal performance and potential. Additionally, three regional Sprouthouse programmes were conducted – two in Denmark and one in Central Europe with participants from Germany, France and Switzerland.

BEATING TARGETS WITH OUR EMPLOYEE SURVEY RESULTS

In 2015, the response rate of the annual global employee survey was 90.8 percent, which is slightly lower than the record-high rate achieved in 2014 (94 percent).

Among other things, we use the survey to measure the number of ambassadors. Ambassadors are defined as those employees who assign nine or ten points (on a ten-point scale) to six specific questions concerning loyalty and engagement. This Ambassador score of 34.6 percent is among the highest scores we have seen in the nine years we have conducted the survey. The increase from 32.5 percent in 2014 is impressive, leaving us considerably ahead of our 2015 target of 33 percent.

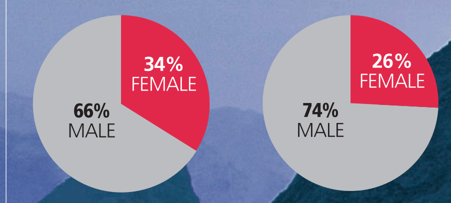
We believe that the high score is partly because our business is doing well and partly because we have strengthened our management teams and leadership capabilities in several parts of the organisation. We also believe that the new strategy setting a clear and ambitious direction of being the leading pharma engineering company has also had a positive impact on engagement.



EMPLOYEE DATA

GENDER

The Board of Directors strives to include at least one of the underrepresented gender on the Board. Employee-selected members are not included in this target. In 2015, 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. The overall gender split was 34 percent female and 66 percent male in 2015. Across all line management positions, 26 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 during which the development of the organisation is discussed and closely linked to the strategic priorities of the business.

Achieving high quality under a tight deadline

Maintaining high quality in the completion of a high potent OSD facility

Roche's OSD manufacturing facility in Shanghai plays an important role in strengthening the company's pharma business. Under the management of NNE Pharmaplan the project was completed within an ambitious deadline and to high quality standards.

Referred to as SHiP II – short for Shanghai High Potent plant II – this highly complex project aims to enhance Roche's existing high potent production capacity. This is achieved by adding a new facility adjacent but connected to the existing high potent oral solid dosage manufacturing at the company's site in Shanghai and improving the handling systems for higher operator safety.

One of the purposes of the SHiP II facility is to support other facilities at the site – especially in improving the adjacent SHiP I – through unified purified water and high potent waste water system treatment. Additionally, to accommodate the customer's future needs – and safeguard against risk – the design included a site storage facility with an explosion-proof room for components of the production.

A STRATEGICALLY IMPORTANT PROJECT

SHiP II is one of the initiatives in Roche's 2018 master plan to develop its Shanghai site and the first fully integrated pharma hub in Asia Pacific. Hans Tanner, Head of project management China, explains the background for the project: "After a thorough analysis and feasibility study conducted during the Shanghai Site Master Planning Initiative in Q2 2012, it was clear that we needed to build additional highly active production capacity for China and for global supply. All this comes under SHiP II."

From the outset, it was a focal point to maintain high quality standards, while at the same time keeping to a tight and fixed deadline in Q3 2015. This meant that the primary objective across every aspect of planning, design and construction was to maintain quality without losing momentum.

WORKING EFFECTIVELY ACROSS BORDERS

The project began more than 10,000 kilometres from Shanghai – in Basel, Switzerland – where the pre-concept was started in August 2012. NNE Pharmaplan staffed the pre-concept with nine process engineers from Switzerland and four Chinese architects/engineers based in Shanghai. As the pre-concept was carried out in Europe, a key challenge was how to transfer this knowledge to China. Although time pressure was mounting, it was essential to achieve this transfer smoothly and seamlessly without affecting the schedule or quality.

The design was transferred to China at the start of basic design (BD). The core members of the original European team continued to provide support throughout the project and two European engineers were on site to support during the equipment installation and qualification phases.

From the beginning, Roche put much focus on involving the users in order to optimise project solutions. Klaus Illum, Head of Project Governance at NNE Pharmaplan elaborates, "Early planning of user involvement as well as early dedicated inspections by the user, made the transfer from project to user very smooth."

Despite a number of challenges along the way, NNE Pharmaplan was able to successfully complete the SHiP II project in early 2015. As a result of this achievement, NNE Pharmaplan was awarded a new project at Roche's campus, involving many of the SHiP II engineers who are leveraging their experiences and lessons learned from SHiP II in the new project.

CASE STORY

FACTS

Customer
Roche Shanghai

Facility
Roche Shanghai High Potent Project (SHIP) II - The facility boasts 2,500 m^2 production area distributed on 2 levels.

Country
China

Challenge
Time pressure and a tight deadline

Solution
Agile and flexible engineering

List of service provided
Pre-concept design, conceptual design, basic design and EPCM(V) (engineering, procurement, construction management and validation)

Project duration
August 2012 – 2015

Sustainability in NNE Pharmaplan's world

SUSTAIN-ABILITY

In 2016, we will publish our seventh 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 committed to the 10 principles regarding human rights, labour, environment and anti-corruption, and we support fulfilment of the new Sustainable Development Goals (SDGs). At NNE Pharmaplan, we strive to develop and integrate sustainability in all our customer-oriented projects, and in our corporate functions to support policies, strategies and goals. Our management systems and tools support this integration.

At NNE Pharmaplan, we focus most of our sustainability activities around our projects, but we also calculate our annual carbon footprint in relation to corporate activities. During 2015, we have developed different tools to improve our HSE (Health, Safety and Environment) services. As an example, we have designed an energy-mapping tool for ventilation systems (HVAC) to identify energy optimisation possibilities. Moreover, we have updated our new HSE tools to strengthen our project-oriented HSE activities. Our goal is to become the best pharma engineering consultants for operationalisation of relevant and high-quality sustainable services. The tools will undergo incremental improvements throughout 2016. In 2015, we have also improved our responsible sourcing guidelines for projects and our own procurement practices. We have developed a supplier evaluation and due diligence mechanism to ensure compliance with the UN guiding principles and we have actively contributed to the fulfilment of SDGs.

Read more in the COP report about additional tools and guidelines implemented during 2015 that bolster our work in sustainability.

SUSTAINABILITY ACTIVITIES INTEGRATED IN NOVO NORDISK'S NEW ASEPTIC FILLING FACILITY

In 2015, Novo Nordisk selected NNE Pharmaplan to support all phases of its new aseptic filling facility in Hillerød, Denmark. This is the biggest project in Denmark for more than a decade. In fact, no project to date has matched this endeavour in both size and variation of processes. Integration of sustainability activities was initiated early on in the project design phase. The project had a dual HSE focus, one on production activities and the other on overall building performance. There was an emphasis on both energy consumption and indoor climate to ensure state-of-the-art building performance. Furthermore, the facility is a frontrunner in meeting the stricter demands on energy performance set by the new Danish Building Regulation standards (BR 2015), and it is an excellent example of how NNE Pharmaplan's HSE competencies are applied throughout an entire project. Read the case story about the aseptic filling facility on page 18 in this report.

SUSTAINABILITY REPORT

The COP report is published together with the Annual Report and reports on how we integrate sustainability and the principles of the Global Compact (in areas of human rights, labour, the environment and anti-corruption) into our business. Read more about our impacts below and in our COP report at http://www.nnepharmaplan.com/About-us/Sustainability/.

Planning for the unplanned

New aseptic filling facility with built-in flexibility

Novo Nordisk is investing DKK 2.1 billion in a new aseptic filling facility in Hillerød, Denmark. To ensure that the facility will be a robust investment for the future, flexible solutions and future-proof technologies are the central ingredients. NNE Pharmaplan is providing all design and engineering services for the new facility.

Novo Nordisk's new greenfield filling and inspection facility called APX is intended to ensure production capacity for existing and future diabetes and obesity products. Thus, the ability to accommodate future production needs was a key success criterion for the new facility, making flexibility a main objective throughout the project.

"With APX Novo Nordisk wants to ensure that we establish a production setup which fulfils current and future expectations regarding compliance and product mix," says Novo Nordisk, Project Vice President, Christian Larsson.

In close collaboration, NNE Pharmaplan and Novo Nordisk have designed the APX facility with the flexibility objective in mind. From the outset, the facility entails two high-volume filling lines, but has free space for a third filling line. This provides built-in flexibility for introducing new, currently unknown, products into the production.

For NNE Pharmaplan Project Director, Torben Kløvborg-Laustsen, and the team of engineers, building a new facility for a company like Novo Nordisk is something of a dream, "especially in a case like this where we are integrating modern technology to ensure agile operations for Novo Nordisk," says Torben Kløvborg-Laustsen.

FUTURE-PROOF SOLUTIONS IN EVERY ASPECT

Another central focus of the project is the implementation of isolator technology, wherein the filling machines are placed in a closed container and operated from the outside via gloves. This technology is combined with closure processing equipment (CPE), which enables aseptic transfer of closure materials to the filling machine.

At the same time, Novo Nordisk had a specific request to apply mobile vessels in the formulation area. In this large-scale, multipurpose production facility, single-use technology is very important as it can eliminate CIP/SIP processes and achieve very flexible connections to the filling machine. While the combination of single use and isolator technology is known, it requires special attention in the project. Knowing this, NNE Pharmaplan involved its top experts in these technologies early in the design process.

It is unique that we cover all of these technical disciplines and can utilise our global technology experts with experience from other pharmaceutical companies," says Torben Kløvborg-Laustsen and continues, "very few of our competitors can match this."

Lars Holm Wæhrens, Corporate Vice President at Novo Nordisk, adds, "Novo Nordisk's specific needs in terms of close collaboration has been an important factor in our decision to engage NNE Pharmaplan as our engineering partner."

After completion of the basic design and early detailed design in the summer of 2015, ground-breaking for the new facility took place in early November 2015. When completed in 2019 the facility will be a best-in-class facility with respect to functionality, quality, safety and compliance. And it will provide key lessons and best practices for future revamps of Novo Nordisk filling facilities worldwide.

CASE STORY

FACTS

Customer
Novo Nordisk

Facility/site
10,300 m² footprint and approx. 30,000 m² of floor space

Country
Denmark

Challenge
New facility which must accommodate not yet known area needs and integrate new isolator technology

Solution
Built-in flexibility to accommodate future changes in capacity or process needs

List of service provided
Conceptual design, basic design, early detailed design, EPCMV (engineering, procurement, construction management, validation) and automation integration

Project duration
2014-2019

CORPORATE GOVERNANCE AND RISK MANAGEMENT

NNE Pharmaplan is managed according to the guidelines and commitments in "From now on – the Essentials of our culture," which includes six fundamental principles. The Essentials are supplemented by our business ethics, our quality management system and our triple bottom-line commitment to continuously improve our financial, environmental and social performance.

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].

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.

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 country-specific 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. For 2015, the risk assessment was anchored in NNE Pharmaplan's strategy and long-term business plan, as it addresses risks to NNE Pharmaplan's long-term strategic targets. The evolving business plan for each year is discussed with and approved by NNE Pharmaplan's Board of Directors.

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."

PROJECT EXECUTION
Each year, NNE Pharmaplan delivers close to 3,000 projects globally, many of which are high in technical and process complexity. The projects are executed in a GMP environment and require an excellent understanding of compliance requirements and customer needs as well as best in class project management, engineering standards and tools. For major projects, a governance structure and risk assessment is established in the proposal process and maintained throughout the delivery. Project steering committees and management representatives ensure continuous focus on project performance and risk mitigation. An executive project portfolio committee chaired by NNE Pharmaplan's Chief Project Officer evaluates global project portfolio risks on a monthly basis.

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.

JESPER KLØVE (1)
Chief Executive Officer and President

SØREN JELERT (2)
Chief Financial Officer
and Corporate Vice President

IBEN SCHMIDT HELBIRK (3)
Chief of Staff and Corporate Vice President, People and Communication

ALEX SEVERIN (4)
Corporate Vice President, Global Best Practice

OLE REGNAR HANSEN (5)
Corporate Vice President and Chief Project Officer

BO NAGEL-HARVIG (6)
Corporate Vice President and General Manager, **Denmark**

HEIKO KAISER (7)
Corporate Vice President and General Manager, **Germany**

STEFAN BERG (8)
Corporate Vice President and General Manager, **Switzerland**

ERIC PIERRE RIEHL (9)
Corporate Vice President and General Manager, **Belgium and France**

BOB BROWN PETERSEN (10)
Corporate Vice President and General Manager, **US**

KENNETH BORCH LARSEN (11)
Corporate Vice President and General Manager, **China**

SAMEER TANEJA (12)
Corporate Vice President and General Manager, **India**

For more information about the NNE Pharmaplan management, please visit our website nnepharmaplan.com

NNE PHARMAPLAN MANAGEMENT

BOARD OF DIRECTORS

LARS FRUERGAARD JØRGENSEN
Chairman of the NNE Pharmaplan Board since 2014

Lars Fruergaard Jørgensen is Executive Vice President and Chief of Staffs 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 a MSc in Finance and Business Administration from the Aarhus Business School, Aarhus University.

BIRGIT W. NØRGAARD
Member of the NNE Pharmaplan Board since 2011 and Vice Chairman of the Board since 2014

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

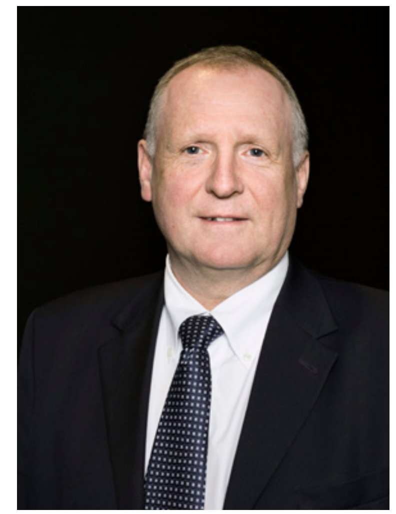
Other board memberships:
- DSV A/S
- IMI Plc.
- Cobham Plc.
- WSP Global Inc.
- RGS 90 A/S
- The Danish State's IT Project Council (Vice-Chairman)
- The Danish Growth Capital Fund (Vice-Chairman)

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

Jens Olesen is Vice President of Facility Design in the Danish organisation since 2014. Prior to this, Jens Olesen worked as General Manager for the Pharma and Biotech Business Unit, manager and as project manager within the mechanical and process disciplines. He joined NNE Pharmaplan in 2002 from a position as Department Manager at LEO Pharma A/S. He holds an M. Sc. 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 Executive Vice President of Product Supply at Novo Nordisk A/S. He joined Novo Nordisk in 1998. Since 2004, Henrik Wulff has been occupying a number of senior management positions in the company. He holds an M. Sc. 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 M. Sc. in chemical engineering from the University of Lund and a B. Sc. in Economics from the University of Stockholm.

Other board memberships:
- Recipharm Group
- Chairman in operating companies and CCS Healthcare

JESPER SCHUFRI MEYER
Employee-elected member of the NNE Pharmaplan Board since 2014

Jesper Schufri Meyer is Business Developer for Facility Design. 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 2015

Turnover and operating performance
In 2015, NNE Pharmaplan Group had a total turnover of DKK 2,058 million (2014: DKK 1,846 million), which is an increase of DKK 212 million or 11.5 percent compared to 2014.

The turnover derives mainly from Denmark, which accounts for 57 percent of the total turnover. Total turnover generated from customers outside the Novo Nordisk Group is 46 percent compared to 47 percent in 2014.

The operating profit in 2015 was DKK 109 million (2014: DKK 55 million), which corresponds to an operating profit margin of 5.3 percent (2014: 3.0 percent). The result is largely due to some large project wins with strategic customers and our improved performance in international operations.

Net financials and tax
Net financials showed a loss of DKK 23 million in 2015 (2014: Loss of DKK 18 million). The net financials were impacted negatively by DKK 14 million regarding the sale of shares in other investment.

Total tax for the year was an expense of DKK 24 million (2014: Expense of DKK 28 million), resulting in an effective tax rate of 27.5 percent for the year (2014: 75.5 percent).

Net profit
The net profit was DKK 63 million an increase of DKK 54 million compared to 2014 mainly explained by the above mentioned.

Balance sheet
The total assets as at 31 December 2015 amounted to DKK 993 million an increase of DKK 142 million compared to 2014 (2014: DKK 851).

Non-current assets increased by DKK 28 million to DKK 205 million (2014: DKK 177 million) mainly explained by fair value adjustments as well as acquisition of Novo Nordisk shares in 2015 to be used as hedging of cash flow when the shares are transferred to the employees.

Current assets increased by DKK 114 to DKK 788 million (2014: DKK 674 million) due to increase in trade receivables and receivables from related parties which increased by DKK 91 million to DKK 499 million in 2015. The increase is mainly explained by an increase in turnover. The cash in bank and on hand increased by DKK 35 million.

Current account projects as well as fixed-price projects decreased the work in progress by DKK 4 million and payments on account for work in progress decreased by DKK 8 million. The period before invoicing work in progress is 10 days end of December 2015 (2014: 11 days).

The total liabilities has increased by DKK 74 million to DKK 701 million in 2015 (2014: DKK 627 million).

Non-current liabilities increased by DKK 24 million to DKK 168 (2014: DKK 144 million), primarily explained by an increase in retirement benefit obligations of DKK 29 million.

Total current liabilities increased by DKK 50 million to DKK 533 million in 2015 (2014: DKK 483 million) mainly relating to other liabilities increasing by DKK 70 million to DKK 373 million regarding employee cost and a decrease of DKK 22 million in short term borrowing from related parties.

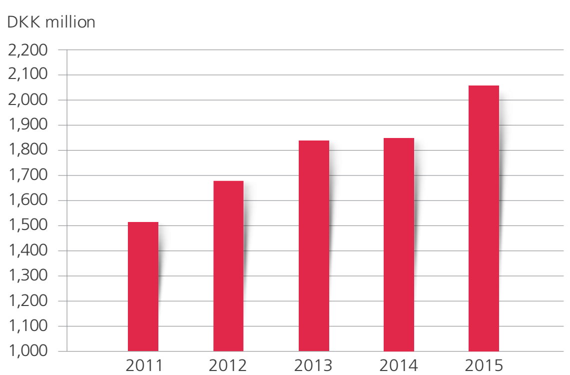
The 2015 equity increased by DKK 67 million to DKK 292 million. The increase in the equity is explained primarily by the result for the year. The solvency ratio was 29.4 percent by the end of December 2015 (2014: 26.3 percent).

Cash flow
The net change in cash and cash equivalents in 2015 is DKK 59 million (2014: DKK -62 million) which is mainly generated from cash flow from operating activities.

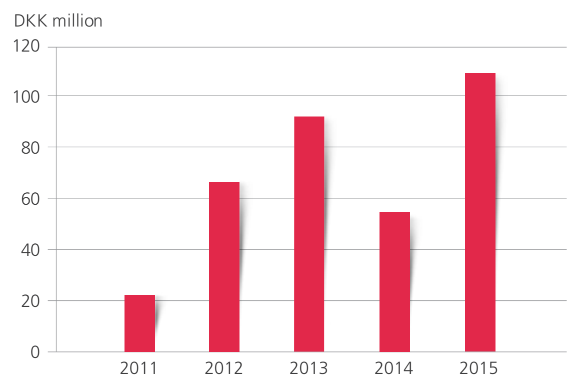
Proposed dividend
The Board of Directors proposes a dividend for the year of DKK 17 million (2014: DKK 0 million).

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 2015.

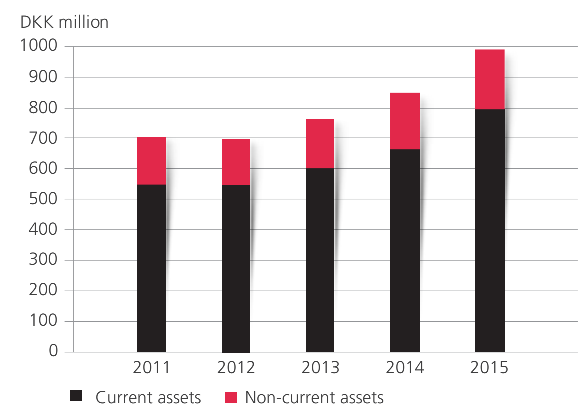
TURNOVER



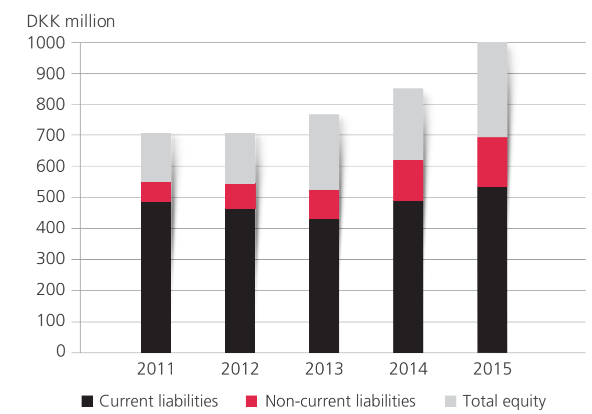
OPERATING PROFIT



ASSETS



EQUITY AND LIABILITIES



FINANCIAL HIGHLIGHTS AND RATIOS FOR NNE PHARMAPLAN GROUP

Financial Highlights (DKK 1,000)

	2015	2014	2013	2012	2011
Income Statement					
Turnover	2,057,710	1,846,159	1,836,691	1,673,452	1,504,273
Operating profit	109,493	55,115	91,475	65,688	22,334
Net financials	(23,242)	(18,030)	(7,021)	(15,985)	(5,891)
Profit (loss) before income taxes	86,251	37,085	84,454	49,703	16,443
Net profit/(loss)	62,544	9,082	57,439	35,294	1,139
Proposed dividend to shareholders	17,000	-	15,000	-	-
Assets					
Non-current assets	205,264	177,262	163,493	154,905	156,554
Current assets	787,544	673,848	601,704	552,032	549,218
Total assets	992,808	851,110	765,197	706,937	705,772
Capital expenditure net	17,374	15,690	6,283	(426)	10,932
Equity and liabilities					
Equity	291,614	224,188	235,087	156,352	147,948
Non-current liabilities	168,035	143,899	103,841	93,238	76,702
Current liabilities	533,159	483,023	426,269	457,347	481,122
Total equity and liabilities	992,808	851,110	765,197	706,937	705,772
Cash flow statement					
Cash flow from operating activities	75,672	(22,765)	54,879	85,566	53,527
Cash flow from investing activities	(16,840)	(23,822)	(23,447)	426	(10,932)
Cash flow from financing activities	-	(15,000)	-	(36,763)	(17,693)
Net change in cash and cash equivalents	58,832	(61,587)	31,432	49,229	24,902
Financial ratios					
Operating profit margin (EBIT margin)	5.3%	3.0%	5.0%	3.9%	1.5%
Profit margin before tax	4.2%	2.0%	4.6%	3.0%	1.1%
Return on equity	24.3%	4.0%	29.3%	23.2%	0.8%
Solvency ratio	29.4%	26.3%	30.7%	22.1%	21.0%
Payout ratio	27.2%	-	26.1%	-	-
Dividend per share (DKK)	34	-	30	-	-
Number of employees at end of year (FTE)	1,719	1,813	1,754	1,659	1,668
Number of internal consultants at end of year (FTE)	287	224	266	209	203
Number of employees and internal consultants end of year (FTE)	2,006	2,037	2,020	1,868	1,871

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

CONSOLIDATED – INCOME STATEMENT

(DKK 1,000)

	Note	2015	2014
Turnover	2	2,057,710	1,846,159
Cost of projects	3,4	(1,746,444)	(1,576,857)
Gross profit		**311,266**	**269,302**
Sales and distribution costs	3,4	(72,275)	(79,412)
Administrative costs	3,4	(129,498)	(134,775)
Operating profit		**109,493**	**55,115**
Financial income	5	23,431	8,095
Financial expenses	6	(46,673)	(26,125)
Profit before income taxes		**86,251**	**37,085**
Income taxes	7	(23,707)	(28,003)
Net profit for the year		**62,544**	**9,082**

CONSOLIDATED – STATEMENT OF COMPREHENSIVE INCOME

	2015	2014
Net profit for the year	**62,544**	**9,082**
Items that will not be reclassified to the Income statement, when specific conditions are met:		
Remeasurements on defined benefit plans	(17,055)	(23,131)
Income tax relating to items that will not be reclassified subsequently	3,939	6,276
Items that will be reclassified subsequently to the Income statement, when specific conditions are met:		
Exchange rate adjustment of investments in subsidiaries	5,664	13,980
Reclasification of available for sale financial assets	12,334	-
Remeasurements of available for sale financial assets	-	(2,106)
Other comprehensive income for the year, net of tax	**4,882**	**(4,981)**
Total comprehensive income for the year	**67,426**	**4,101**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2015	2014
Assets			
Intangible assets	8, 9	88,625	80,200
Property, plant and equipment	10	7,428	10,720
Available-for-sale financial assets	11	-	4,198
Deferred income tax assets	18	54,365	47,894
Financial assets	12, 24	52,878	32,636
Other financial assets		1,968	1,614
Total non-current assets		**205,264**	**177,262**
Work in progress	13	111,432	115,183
Trade receivables	14	207,414	157,308
Receivables from related parties	24	291,297	250,323
Tax receivables	19	11,473	9,266
Other receivables and prepayments	15	26,633	38,141
Cash at bank and on hand		139,295	103,627
Total current assets		**787,544**	**673,848**
Total assets		**992,808**	**851,110**

BALANCE SHEET AS AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

	Note	2015	2014
Equity and liabilities			
Share capital	16	500	500
Retained earnings		264,874	215,224
Other reserves		26,240	8,464
Total equity		**291,614**	**224,188**
Deferred income tax liabilities	18	583	1,163
Retirement benefit obligations	21	137,930	108,641
Provisions	20	29,522	34,095
Total non-current liabilities		**168,035**	**143,899**
Payments on account for work in progress	13	50,005	57,552
Trade payables		58,487	55,111
Short term borrowing		3,892	8,842
Short term borrowing from related parties	24	-	22,161
Payables to related parties	24	4,515	5,192
Tax payables	19	3,252	1,993
Other liabilities	17	373,126	303,958
Provisions	20	39,882	28,214
Total current liabilities		**533,159**	**483,023**
Total liabilities		**701,194**	**626,922**
Total equity and liabilities		**992,808**	**851,110**
Commitments and contingencies	22		
Other notes	23-29		

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

(DKK 1,000)

	Note	2015	2014
Operating activities			
Operating profit		**109,493**	**55,115**
Reversals with no effect on cash flow	26	8,041	45,575
(Increase)/decr. in trade receivables, work in progress and prepayments etc.		(66,980)	(77,514)
Increase/(decr.) in trade payables and other payables etc.		61,039	5,901
Cash flow from operating activities before financials		**111,593**	**29,077**
Financial income	5	23,431	8,095
Financial expenses	6	(33,013)	(26,125)
Cash flow from operating activities before tax		**102,011**	**11,047**
Income taxes paid	7.19	(26,339)	(33,812)
Cash flow from operating activities		**75,672**	**(22,765)**
Investments			
Sale of other financial assets		3,098	-
Purchase of shares in Novo Nordisk A/S	12	(2,564)	(8,132)
Purchase of intangible and tangible assets (net)		(17,374)	(15,690)
Cash flow from investing activities		**(16,840)**	**(23,822)**
Financing			
Paid dividend	24	-	(15,000)
Cash flow from financing activities		**-**	**(15,000)**
Net change in cash and cash equivalents		**58,832**	**(61,587)**
Cash and cash equivalents at the beginning of the year		72,624	132,272
Unrealised gain/(loss) on exchange rate on cash and cash equivalents		3,947	1,939
Cash and cash equivalents at the end of the year		**135,403**	**72,624**
Net cash and cash equivalents at the end of the year:			
Cash at bank and on hand		113,329	103,627
Short term borrowing		(3,892)	(8,842)
Cash Pool	24	25,966	(22,161)
Cash and cash equivalents at the end of the year		**135,403**	**72,624**
Maximum drawing facility, including Cash Pool arrangement with the Novo Nordisk Group		133,625	146,635
Financial ressources at the end of the year		**269,028**	**219,259**

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER – CONSOLIDATED

(DKK 1,000)

			Other reserves		
2015	**Share capital**	**Retained earnings**	**Reserve for share-based compensation**	**Adjustments and exchange rate etc**	**Total**
Balance at the beginning of the year	**500**	**215,224**	**222**	**8,242**	**224,188**
Profit for the period	-	62,544	-	-	62,544
Other comprehensive income	-	(13,116)	-	17,998	4,882
Total comprehensive income	**-**	**49,428**	**-**	**17,998**	**67,426**
Transactions with owners, recognised directly in equity:					
Dividend 2014	-	-	-	-	-
Options exercised	-	222	(222)	-	-
Balance at the end of the year	**500**	**264,874**	**-**	**26,240**	**291,614**

			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**

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 67-77, 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 2015 is DKK 61.4 million (2014: DKK 57.6 million). Please refer to note 13 for further details and the financial effect.

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

The carrying amount of goodwill at 31 December 2015 was DKK 62.7 million (2014: DKK 62.1 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 1.2 million at 31 December 2015 (2014: DKK 8.4 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 54.4 million (2014: DKK 47.9 million) and DKK 0.6 million (2014: DKK 1.2 million) respectively at 31 December 2015. The tax value of a tax loss of DKK 81.4 million (2014: DKK 72.4 million) have not been recognised in the balance sheet as currently there is no convincing evidence that the Group will be able to use these tax losses due to local restrictions. Please refer to note 18 for further details.

Accounting policies

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

Adoption of new and amended IFRSs
Based on an assessment of new or amended and revised accounting standards and interpretations ('IFRSs') issued by IASB and IFRSs endorsed by the European Union effective on or after 1 January 2015, it has been assessed that the application of these new IFRSs has not had a material impact on the Consolidated financial statements in 2015, and Management does not anticipate any significant impact on future periods from the adoption of these new IFRSs.

New or amended IFRSs that have been issued but 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 2018. It currently awaits EU endorsement. IFRS 15 is part of the convergence project with FASB to replace IAS 11 and IAS 18. The new standard will establish a single, comprehensive framework for revenue recognition. NNE Pharmaplan has completed a preliminary assessment on the impact of the standard and evaluated that it will not have any significant impact on recognition and measurement, but is expected to increase disclosures requirements in the Consolidated financial statements.
- IASB has issued IFRS 16 'Leases', with effective date 1 January 2019. It currently awaits EU endorsement. IFRS 16 is a part of the convergence project with FASB to replace IAS 17. The standard requires to recognise assets and liabilities for most leases. NNE Pharmaplan has made preliminary assessment of the impact of the standard and evaluated that the implementation of the standard is likely to result in capitalisation of the majority of the Group's operational lease contracts. Hence this will affect the financial ratios related to the balance sheet. The change will have a minor impact on net profit as IFRS 16 requires the lease payments to be split between a depreciation charge included in operating costs and an interest expense on lease liabilities included in finance costs.

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 method. According to the percentage-of-completion 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 useful life of trademark is estimated to be 10 years. 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

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.

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 Finance society.

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

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

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

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

$$\text{Payout ratio} = \frac{\text{Total dividend for the year x 100}}{\text{Net profit}}$$

$$\text{Dividend per share} = \frac{\text{Proposal dividend}}{\text{Number of shares}}$$

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 2 Turnover		
Sales value of engineering sales	1,960,542	1,743,460
Sales value of other service sales	97,168	102,699
Total	**2,057,710**	**1,846,159**

Turnover consists of 54% (53% in 2014) to companies in the Novo Nordisk Group, 3% (4% in 2014) to the Novozymes Group and 43% (43% in 2014) to other customers. The distribution is 57% (56% in 2014) in Denmark and 43% (44% in 2014) abroad.

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

	2015	2014
Note 3 Employee costs		
Wages and salaries	1,033,426	914,481
Pensions defined contribution plans	88,388	87,429
Pensions defined benefit plans (note 21)	15,872	10,089
Share-based payment costs (note 25)	7,765	5,711
Other social security contributions	53,339	50,985
Other employee costs	39,588	43,070
Total	**1,238,378**	**1,111,765**
Cost of projects	1,062,156	951,509
Sales and distribution costs	61,584	50,712
Administrative costs	114,638	109,544
Total	**1,238,378**	**1,111,765**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 3 Employee costs (continued)		
Average number of full-time employees	1,675	1,790
At the end of the year the Group had 1,719 full time employees compared to 1,813 at year end 2014.		
Management's remuneration and share-based payments:		
Fees to Board of Directors	825	1,094
Salary, cash bonus etc. to Executive Management	3,491	2,834
Pension contribution to Executive Management	738	658
Share-based payment to Executive Management (note 25)	1,474	974
Salary, cash bonus etc to NNE Pharmaplan Management	24,645	19,548
Pension contribution to NNE Pharmaplan Management	1,486	1,427
Share-based payment to NNE Pharmaplan Management	2,699	2,053
Total	**35,358**	**28,588**

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 24 month's salary plus pension contribution, if terminated by the company.

	2015	2014
Note 4 Depreciation, amortisation and impairment losses		
Depreciation and amortisation are derived from:		
Intangible assets	5,956	3,529
Property, plant and equipment	6,355	7,259
Total	**12,311**	**10,788**
Included in the Income statement under the following headings:		
Cost of projects	10,328	9,017
Sales and distribution costs	423	361
Administrative costs	1,560	1,410
Total	**12,311**	**10,788**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 5 Financial income		
Interest income on short-term bank deposits	85	145
Other financial income	1,106	662
Unrealised capital gains on shares	17,678	6,332
Unrealised/realised foreign exchange gains	4,562	956
Total	**23,431**	**8,095**

	2015	2014
Note 6 Financial expenses		
Interest expenses on loans to related parties (note 24)	25	43
Other interest expenses	538	520
Unrealised/realised adjustments on provisions (share-based payment, note 20)	20,322	6,574
Unrealised/realised foreign exchange loss	10,202	17,081
Realised loss on investment	13,660	-
Other financial expenses	1,926	1,907
Total	**46,673**	**26,125**

	2015	2014
Note 7 Income taxes		
Current tax on profit for the year (note 19)	26,657	21,083
Deferred tax on profit for the year (note 18)	(2,337)	2,647
Tax on profit for the year	**24,320**	**23,730**
Adjustments related to previous years – deferred tax (note 18)	598	7,710
Adjustments related to previous years – current tax (note 19)	(1,211)	(3,437)
Total	**23,707**	**28,003**

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.

	2015	2014
Computation of effective tax rate:		
Statutory corporate income tax rate in Denmark	23.5%	24.5%
Adjustments to previous years	-1.4%	-9.3%
Adjustments to deferred tax assets	-5.0%	20.2%
Non-tax income less non-tax deductible expenses	-2.2%	0.6%
Tax loss carry-forward, net recognised	12.1%	46.6%
Changes in tax rate from 2014 to 2015 and 2015 to 2016	1.1%	0.9%
Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate	-0.6%	-8.0%
Effective tax rate	**27.5%**	**75.5%**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 7 Income taxes (continued)		
Tax on other comprehensive income for the year (income)/expenses	3,939	6,276
Income taxes paid		
Income taxes paid in Denmark	21,999	22,641
Income taxes paid outside Denmark	4,340	11,171
Total income taxes paid	**26,339**	**33,812**

Note 8 Intangible assets

2015	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Intangible assets under construction	Total
Cost at 1 January	62,131	1,555	25,282	5,440	13,164	44,437	10,143	162,152
Additions during the year	-	-	-	-	-	4,782	9,039	13,821
Disposals during the year	-	(2)	-	-	-	(40,423)	-	(40,425)
Transfer from/(to) other items	-	-	-	-	-	14,064	(14,064)	-
Exchange rate adjustments	604	64	64	43	-	517	-	1,292
Cost at 31 December	**62,735**	**1,617**	**25,346**	**5,483**	**13,164**	**23,377**	**5,118**	**136,840**
Depreciation and impairment losses at 1 January	-	1,500	25,282	4,848	10,536	39,786	-	81,952
Depreciation for the year	-	61	-	370	1,317	4,208	-	5,956
Disposals during the year	-	(2)	-	-	-	(40,145)	-	(40,147)
Exchange rate adjustments	-	58	64	34	-	298	-	454
Depreciation and impairment losses at 31 December	-	**1,617**	**25,346**	**5,252**	**11,853**	**4,147**	**-**	**48,215**
Carrying amount at 31 December	**62,735**	**-**	**-**	**231**	**1,311**	**19,230**	**5,118**	**88,625**

2014	Goodwill	Patents/ certificates	Contracts	Customer lists	Trademark	ERP system and software	Intangible assets under construction	Total
Cost at 1 January	61,538	1,492	25,339	5,478	13,164	51,265	-	158,276
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**	**1,555**	**25,282**	**5,440**	**13,164**	**44,437**	**10,143**	**162,152**
Depreciation and impairment losses at 1 January	-	1,395	25,339	4,509	9,219	47,959	-	88,421
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	-	**1,500**	**25,282**	**4,848**	**10,536**	**39,786**	**-**	**81,952**
Carrying amount at 31 December	**62,131**	**55**	**-**	**592**	**2,628**	**4,651**	**10,143**	**80,200**

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, and NNE Pharmaplan India Ltd.
- NNE Pharmaplan Inc. (US)

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

	Pharmaplan Group		NNE Pharmaplan Inc.		Total	
	2015	2014	2015	2014	2015	2014
Carrying amount of goodwill	**56,972**	**56,966**	**5,763**	**5,165**	**62,735**	**62,131**

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 5.4% (2014: 5.6%). The average operating profit margin is 4 to 5% (2014: 5 to 8%). The growth rate used to extrapolate the cash flows of the Pharmaplan Group beyond the five-year period is 0% (2014: 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 5.4% (2014: 5.5%). The average operating profit margin is 2 to 3% (2014: -4 to 5%). The growth rate used to extrapolate the cash flows of NNE Pharmaplan Inc. beyond the five-year period is 0% (2014: 0%).

NOTES – CONSOLIDATED
(DKK 1,000)

Note 10 Property, plant and equipment

2015	Leasehold improvements	Other equipment	Total
Cost at 1 January	8,664	42,161	50,825
Additions during the year	-	4,783	4,783
Disposals during the year	(716)	(12,345)	(13,061)
Exchange rate adjustments	504	654	1,158
Cost at 31 December	**8,452**	**35,253**	**43,705**
Depreciation and impairment losses at 1 January	6,104	34,001	40,105
Depreciation for the year	1,510	4,845	6,355
Disposals during the year	(613)	(10,470)	(11,083)
Exchange rate adjustments	331	569	900
Depreciation and impairment losses at 31 December	**7,332**	**28,945**	**36,277**
Carrying amount at 31 December	**1,120**	**6,308**	**7,428**
Financially leased assets amount to	**-**	**469**	**469**

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

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.

NOTES – CONSOLIDATED
(DKK 1,000)

Note 11 Available-for-sale financial assets	2015	2014
Value at 1 January	4,198	6,319
Fair value adjustment	-	(2,106)
Disposals	(4,209)	-
Exchange rate adjustments	11	(15)
Value at 31 December	**-**	**4,198**

Available-for-sales assets relate to shares in Abu Dhabi Medical Devices Company Ltd which was sold in 2015. In connection with the sale of the shares the Group reclassified DKK 12.3 million from the equity into income statement.

Note 12 Financial assets

Fair value at the end of the year	**52,878**	**32,636**
Orginal acquisition cost during the year	2,564	8,132
Total number of shares	132,229	125,380
Non-Current	18,129	32,636
Current	34,749	-
Total	**52,878**	**32,636**

The share portfolio consists of shares in Novo Nordisk A/S. These shares hedges cash flow from 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	1,357,517	(1,246,085)	111,432	115,183
Current liabilities	815,097	(865,102)	(50,005)	(57,552)
Total	**2,172,614**	**(2,111,187)**	**61,427**	**57,631**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 14 Trade receivables		
Trade receivables (gross)	**208,574**	**165,668**
Allowance for doubtful trade receivables:		
Balance at the beginning of the year	(8,360)	(6,776)
Change in allowance during the year	2,790	(2,724)
Realised losses during the year	4,698	1,109
Exchange rate adjustments	(288)	31
Balance at the end of the year	**(1,160)**	**(8,360)**
Trade receivables (net)	**207,414**	**157,308**
Trade receivables (net) can be specified as follows:		
Neither past due nor impaired	154,637	116,316
Past due:		
Between 1 and 90 days	44,119	35,146
Between 91 and 180 days	2,071	3,273
Between 181 and 270 days	2,543	1,423
Between 271 and 360 days	1,394	924
More than 360 days	2,650	226
Trade receivables (net)	**207,414**	**157,308**

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

Note 15 Other receivables and prepayments		
Prepaid rent	384	302
Prepaid IT costs	5,309	4,593
Other prepaid costs	5,537	10,585
Accrued income	-	5,539
Deposits	6,560	6,891
Employee costs	1,917	1,209
Other receivables	6,926	9,022
Total	**26,633**	**38,141**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 16 Share capital		
Share capital at the end of the year:		
A share capital (167 shares of DKK 1,000)	167	167
B share capital (333 shares of DKK 1,000)	333	333
Total	**500**	**500**

The share capital in NNE Pharmaplan A/S is divided into A shares and B shares. The A shares have 10 votes per DKK 500 of the A share capital, whereas the B shares have 1 vote per DKK 500 of the B share capital. There are no transferability restrictions on the B shares, while the owners of the A shares have a right of first refusal in case of any transfer of A shares.

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

Note 17 Other liabilities		
Employee costs payable	261,905	203,778
VAT, taxes and other contributions to social security	33,287	29,325
Accruals	76,627	69,600
Financial lease commitments	392	534
Other payables	915	721
Total	**373,126**	**303,958**

Liabilities are all payables within one year

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

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 18 Deferred tax assets/Deferred tax liabilities		
At the beginning of the year	46,731	50,111
Deferred tax on profit for the year (note 7)	2,337	(2,647)
Adjustments related to previous years (note 7)	(598)	(7,710)
Deferred tax on items recognised in Other comprehensive income	3,939	6,276
Exchange rate adjustments	1,373	701
Total deferred tax assets/liabilities (net)	**53,782**	**46,731**

2015	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	463	3,940	222	13,923	34,729	944	(6,327)	47,894
Deferred tax liabilities at 1 January	(1,281)	-	(6,190)	-	-	(19)	6,327	(1,163)
Net deferred tax assets/(liabilities) at 1 January	**(818)**	**3,940**	**(5,968)**	**13,923**	**34,729**	**925**	**-**	**46,731**
Exchange rate adjustments	9	109	9	(22)	1,175	93	-	1,373
Income/(charge) to the Income statement	1,042	(4,284)	464	1,899	3,746	(1,129)	-	1,738
Other comprehensive income	-	-	-	-	3,940	-	-	3,940
Deferred tax assets/(liabilities) at 31 December	**233**	**(235)**	**(5,495)**	**15,800**	**43,590**	**(111)**	**-**	**53,782**
Specified as follows:								
Deferred tax assets at 31 December	950	875	11	15,800	43,590	251	(7,112)	54,365
Deferred tax liabilities at 31 December	(717)	(1,110)	(5,506)	-	-	(362)	7,112	(583)
Net deferred tax assets/(liabilities) at 31 December	**233**	**(235)**	**(5,495)**	**15,800**	**43,590**	**(111)**	**-**	**53,782**

Tax losses carried forward

The tax value of tax losses carried forward of DKK 81.4 million (2014: DKK 72.4 million) has not been recognised in the Balance sheet due to the likelihood that the tax losses will not be realised in the future. Of the unrecognised tax losses carried forward, DKK 2 million expires within one year, DKK 0 million between 2-5 years and DKK 79.4 million after more than five years.

NOTES – CONSOLIDATED

(DKK 1,000)

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

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**

	2015	2014
Note 19 Tax receivables/tax payables		
At the beginning of the year	7,273	(9,779)
Corporation tax paid during the year	(662)	12,700
Prepaid tax	27,001	21,112
Adjustments related to previous years (note 7)	1,211	3,437
Current tax for the year (note 7)	(26,657)	(21,083)
Exchange rate adjustments	55	886
Total tax receivables/(tax payables)	**8,221**	**7,273**
Classified in the balance as shown below:		
Current assets	11,473	9,266
Current liabilities	(3,252)	(1,993)
Total	**8,221**	**7,273**

NOTES – CONSOLIDATED

(DKK 1,000)

						2015	2014

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 6 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	2,486	6,474	4,535	22,774	26,040	62,309	24,864
Additions during the year	959	2,088	959	7,765	2,590	14,361	34,244
Unused amounts reversed	(989)	(177)	-	-	(2,144)	(3,310)	(1,530)
Used during the year	(77)	(651)	-	-	(24,529)	(25,257)	(2,228)
Value adjustment	-	-	-	20,322	-	20,322	6,574
Exchange rate adjustments	16	29	153	-	781	979	385
Provisions at 31 December	**2,395**	**7,763**	**5,647**	**50,861**	**2,738**	**69,404**	**62,309**

	2015	2014
Specification of provisions:		
Current provisions	39,882	28,214
Non-current provisions	29,522	34,095
Total	**69,404**	**62,309**

NOTES – CONSOLIDATED

(DKK 1,000)

				2015	2014

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	77,143	77,818	612	155,573	121,331
Current service cost	2,076	10,919	204	13,199	7,522
Interest cost	1,933	1,558	-	3,491	3,537
Remeasurements (gains)/losses[1]	1,726	15,900	-	17,626	19,660
Benefits paid to employees	(1,068)	5,885	-	4,817	271
Other	-	4,438	-	4,438	2,336
Exchange rate adjustments	196	8,956	1	9,153	916
At the end of the year	**82,006**	**125,474**	**817**	**208,297**	**155,573**

[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	-	46,320	612	46,932	40,687
Interest income	-	957	13	970	925
Remeasurements gains/(losses)	-	571	-	571	(3,471)
Employer contributions	-	6,048	191	6,239	4,459
Benefits paid (to)/by employees	-	5,885	-	5,885	1,317
Other	-	4,438	-	4,438	2,336
Exchange rate adjustments	-	5,331	1	5,332	679
At the end of the year	**-**	**69,550**	**817**	**70,367**	**46,932**
Net retirement benefit obligations at the end of the year (un-funded)	**82,006**	**55,924**	**-**	**137,930**	**108,641**

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

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 21 Retirement benefit obligations (continued)		
Net retirement obligations recognised in the Balance sheet:		
At the beginning of the year	108,641	80,644
Remeasurements recognised in statement of the comprehensive income	17,055	23,131
Recognised in the Income statement	15,872	10,089
Employeer contributions	(6,239)	(4,459)
Benefit paid to employees, net	(1,068)	(1,046)
Exchange rate adjustments	3,669	282
At the end of the year	**137,930**	**108,641**
Costs recognised in the Income statement for the year		
Current service cost	13,199	7,522
Interest cost on pension obligation	3,491	3,537
Remeasurements (gains)/losses	(970)	(925)
Exchange rate adjustments	152	(45)
Total expenses included in employee costs	**15,872**	**10,089**
Cost recognised on Other comprehensive income		
Remeasurements (gains)/losses	17,055	23,131
Total	**17,055**	**23,131**
Included in the Income statement under employee costs under the following headings:		
Cost of projects	13,718	8,573
Sales and distribution costs	752	530
Administrative costs	1,402	986
Total	**15,872**	**10,089**

The Group expects to contribute DKK 8.9 million to its defined benefit pension plans in 2016 (2015: DKK 7.3 million). It is not expected that the contribution over the next five years will differ significantly from current contributions.

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 21 Retirement benefit obligations (continued)		
Weighted average asset allocation of funded retirement obligations		
Equities	27%	21%
Bonds	39%	36%
Property	23%	24%
Cash	0%	9%
Other	11%	10%
Assumptions used for valuation		
Discount rate	2.0%	1.6%
Projected future remuneration increases	2.3%	2.3%
Helthcare cost trend rate	0.7%	0.0%
Inflation rate	1.0%	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	37,257	(52,211)
Future remuneration	(9,319)	8,889

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)

	2015	2014
Note 22 Commitments and contingencies		

Operating leases

The operating lease commitments are related to non-cancellable operating leases, related to office rent and company cars. Expenses related to lease rentals amount to DKK 45.8 million in 2015 and DKK 50.1 million in 2014. Approximately 37% (2014: 33%) of the commitments are related to leases outside Denmark.

The duration period for NNE Pharmaplan Group's rental leases varies. The longest commitment is for a office lease, which is non-cancellable for 11 years for NNE Pharmaplan.

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

	2015	2014
Within one year	37,868	43,331
Between one and two years	29,898	30,665
Between two and three years	25,892	25,910
Between three and four years	20,170	22,429
Between four and five years	18,749	19,377
After five years	19,075	36,917
Total	**151,652**	**178,629**

Other commitments

Other commitments are related to non-cancellable commitments related to internal consultants, licenses and purchase obligations.

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:

	2015	2014
Within one year	33,630	30,628
Between one and two years	356	3,851
Between two and three years	127	206
Between three and four years	26	65
Between four and five years	25	-
Total	**34,164**	**34,750**

Guarantees

	2015	2014
Bank guarantees	20,445	30,893
Total	**20,445**	**30,893**

Bank guarantees are guarantees that the banks 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)

	2015	2014
Note 23 Fees to statutory auditors		
Statutory audit fee to PwC	2,368	2,768
Audit-related services	130	86
Tax advisory services	115	309
Total	**2,613**	**3,163**

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 NNIT Group, 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:

	2015	2014
Value of services sold		
The Novo Nordisk Group	1,103,204	987,890
The Novozymes Group	57,939	40,904
NNIT Group	6,928	-
Novo A/S	500	18
Xellia Pharmaceuticals ApS	10,696	24,420
Total	**1,179,267**	**1,053,232**
Value of services acquired		
The Novo Nordisk Group	20,122	26,533
NNIT Group	6,156	-
Total	**26,278**	**26,533**
Financial income		
The Novo Nordisk Group (dividend received)	627	411
Total	**627**	**411**
Financial expenses		
The Novo Nordisk Group	25	43
Total	**25**	**43**

NOTES – CONSOLIDATED

(DKK 1,000)

	2015	2014
Note 24 Transactions with related parties (continued)		
Dividend		
The Novo Nordisk Group	-	15,000
Total	**-**	**15,000**
Receivables		
The Novo Nordisk Group	269,862	228,716
The Novozymes Group	17,045	19,888
NNIT Group	1,132	-
Xellia Pharmaceuticals ApS	3,258	1,719
Total	**291,297**	**250,323**
Cash and Cash Equivalents		
The Novo Nordisk Group	25,966	(22,161)
Total	**25,966**	**(22,161)**
Payables		
The Novo Nordisk Group	3,584	5,023
The Novozymes Group	-	169
NNIT Group	931	-
Total	**4,515**	**5,192**
Shares Novo Nordisk A/S		
Non-current	18,129	32,636
Current	34,749	-
Total	**52,878**	**32,636**

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)

	2015	2014
Note 25 Share-based payment schemes		

Long-term incentive programme:

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 linked to the financial performance of NNE Pharmaplan Group and the affiliates. A maximum of 4 months' base salery (8 months' base salery 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.

	2015	2014
Long-term share-based incentive programme	7,765	5,711
Total cost of share-based payment for the year	**7,765**	**5,711**
Included in the Income statement under the following headings:		
Cost of projects	6,711	4,853
Sales and distribution costs	368	300
Administrative costs	686	558
Total	**7,765**	**5,711**
This amount can be specified as follow:		
Executive Management	1,474	974
Other employees	6,291	4,737
Total	**7,765**	**5,711**
Financial income/(expenses), realised and unrealised loss (note 5, 6)	(2,644)	(242)
The liability of the long-term share-based incentive programme	**50,862**	**22,774**

NOTES – CONSOLIDATED
(DKK 1,000)

Note 25 Share-based payment schemes (continued)

Former share option scheme:

Prior to 2007, Parent company Novo Nordisk A/S had a share option programme with the purpose of motivating and retaining a qualified management group to ensure common goals for management and the shareholders. The last share options vested in 2007 were all exercised in 2015.

The value at year end was DKK 0 mill as all share options were exercised in 2015.

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 2015	25,000	25,000	34	6,508
Exercised in 2015	(25,000)	(25,000)	34	(6,508)
Outstanding at 31 December 2015	**-**	**-**	**-**	**-**
Outstanding at 1 January 2014	134,500	134,500	34	21,599
Exercised in 2014	(109,500)	(109,500)	33	(17,615)
Value adjustment	-	-	-	2,524
Outstanding at 31 December 2014	**25,000**	**25,000**	**34**	**6,508**

NOTES – CONSOLIDATED
(DKK 1,000)

Note 26 Reversals with no effect on the cash flow	**2015**	**2014**
Depreciation, including gain and loss on fixed assets sold	11,851	10,558
Change in provisions	(13,226)	37,445
Change in pensions etc	9,416	(2,428)
Total	**8,041**	**45,575**

Note 27 Financial risk management

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

Foreign exchange risk
The company's foreign exchange exposure is related to transactions and net investments in foreign operations. In relation to transactions the major part of the sales are in DKK, EUR, USD and CNY. NNE Pharmaplan's foreign exchange risk is most significant in CNY, RUB and USD, 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 from the company's activities is low. A 10% change in currencies, other things being equal, will have a full-year impact on operating profit of approximately:

DKK million	**2015**	**2014**
CNY	0.1	1.5
RUB/EUR	1.1	1.5
USD	3.3	3.3
CHF	0.6	0.6

NOTES – CONSOLIDATED

(DKK 1,000)

Note 27 Financial risk management (continued)

NNE Pharmaplan Denmark's investments in subsidiaries: US, China, France, Germany, Sweden, Ireland, Belgium and Hong Kong amounts to a total of DKK 54.2 million (2014: DKK 29.9 million).

DKK million	**2015**	**2014**
EUR	0.4	0.7
USD	7.2	(9.8)
CNY	67.1	58.8
CHF	(11.1)	(0.8)
INR	8.1	2.7
RUB	(16.7)	(17.4)

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 135.4 million (2014: An asset of DKK 94.8 million).

At the end of 2015 a one percentage point increase in the interest rate level, everything else being equal, is estimated to have an isolated effect on the operating profit before tax of DKK 1.3 million (2014: DKK 0.9 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 2015 the five largest clients accounted for 81% (2014: 67%) 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 5.3 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 in note 28 analyses the Group's financial liabilities and assets into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES – CONSOLIDATED

(DKK 1,000)

Note 27 Financial risk management (continued)

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 bemanaged by adjusting the dividend payments to the shareholder or issuing new shares.

The Solvency ratio, calculated as equity to total assets, amounted to 29.4% by the end of the year (2014: 26.3%).

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 2015, 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.

Note 28 Financial instruments by category

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

	2015		**2014**	
	Loans and receivables	**Total**	**Loans and receivables**	**Total**
Work in progress	111,432	111,432	115,183	115,183
Trade and other receivables	222,817	222,817	179,969	179,969
Receivables from related parties	291,297	291,297	250,323	250,323
Cash at bank and on hand	139,295	139,295	103,627	103,627
Assets as per 31 December	**764,841**	**764,841**	**649,102**	**649,102**

	2015		**2014**	
	Other financial liabilities	**Total**	**Other financial liabilities**	**Total**
Payments on account for work in progress	50,005	50,005	57,552	57,552
Trade payables	58,487	58,487	55,111	55,111
Short term borrowings	3,892	3,892	8,842	8,842
Payables to related parties	4,515	4,515	5,192	5,192
Other liabilities	373,126	373,126	303,958	303,958
Liabilities as per 31 December	**490,025**	**490,025**	**430,655**	**430,655**

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	440,000	EUR	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
Pharmaplan SPOL s.r.o.	Czech Republic	2008	3,000,000	CZK	100

Financial statements 2015 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 2015 for NNE Pharmaplan

INCOME STATEMENTS OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2015	2014
Turnover	2	1,238,559	1,143,545
Cost of projects	3	(1,030,196)	(940,840)
Gross profit		**208,363**	**202,705**
Sales and distribution costs	3	(42,020)	(38,017)
Administrative costs	3	(71,899)	(73,026)
Operating profit		**94,444**	**91,662**
Share of profit/loss in subsidiaries	9	(3,465)	(70,201)
Financial income	4	7,846	3,175
Financial expenses	5	(9,848)	(7,238)
Profit before income taxes		**88,977**	**17,398**
Income taxes	6	(18,863)	(15,896)
Net profit for the year		**70,114**	**1,502**
Proposed appropriation of net profit:			
Dividend to shareholders		17,000	-
Retained earnings		53,114	1,502
Total		**70,114**	**1,502**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2015	2014
Assets			
Intangible assets	7	22,655	11,967
Property, plant and equipment	8	2,244	2,598
Investments in subsidiaries	9	62,650	44,981
Deferred income tax assets		12,179	7,288
Financial assets	10	52,878	32,636
Total non-current assets		**152,606**	**99,470**
Work in progress and prepayments on accounts		35,261	39,385
Trade receivables		27,110	26,750
Receivables from related parties	13	348,448	332,236
Tax receivables		2,556	1,821
Other receivables		3,341	4,022
Prepayments		8,349	9,243
Cash at bank and on hand		25,974	121
Total current assets		**451,039**	**413,578**
Total assets		**603,645**	**513,048**

BALANCE SHEET OF THE PARENT COMPANY NNE PHARMAPLAN A/S

(DKK 1,000)

	Note	2015	2014
Equity and liabilities			
Share capital	11	500	500
Retained earnings		237,938	176,591
Total equity		**238,438**	**177,091**
Provisions		62,562	32,670
Total Provisions		**62,562**	**32,670**
Prepayments on account for work in progress		24,353	24,681
Trade payables		22,999	32,766
Payables to related parties	13	36,792	38,172
Short term borrowing related parties	13	-	22,161
Tax payables		2,489	-
Other liabilities		216,012	185,507
Total current liabilities		**302,645**	**303,287**
Total liabilities		**365,207**	**335,957**
Total equity and liabilities		**603,645**	**513,048**
Commitments	12		

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

(DKK 1,000)

2015	Share Capital	Reserve under the equity method	Retained earnings	Total
Balance at beginning of year	**500**	**-**	**176,591**	**177,091**
Exchange rate adjustments of investment in subsidiaries	-	-	4,126	4,126
Adjustment of investment in subsidiaries	-	-	(12,893)	(12,893)
Net income/(loss) recognised directly in equity	**-**	**-**	**(8,767)**	**(8,767)**
Net profit/(loss)	-	-	53,114	53,114
Proposed dividend	-	-	17,000	17,000
Total income/(loss)	**-**	**-**	**61,347**	**61,347**
Capital grant	-	-	-	-
Dividends paid	-	-	-	-
Balance end of year	**500**	**-**	**237,938**	**238,438**

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

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.

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 -13 million (2014: -17 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 36-42

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 straightline method over a period not exceeding 20 years, based on estimated useful life.

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

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

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

The profit in subsidiaries is shown as profit after tax.

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

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

NOTES – PARENT COMPANY

(DKK 1,000)

	2015	2014
Note 2 Turnover		
Sales value of engineering sales	1,238,559	1,143,545
Total	**1,238,559**	**1,143,545**

	2015	2014
Note 3 Employee costs		
Wages and salaries	649,098	570,316
Pensions	53,872	49,503
Share-based payment costs	7,765	5,711
Other contributions to social security	8,485	8,020
Other employee costs	15,634	17,475
Total	**734,854**	**651,025**
Included in the Income statement under the following headings:		
Cost of projects	642,144	572,347
Sales and distribution costs	33,216	21,179
Administrative costs	59,494	57,499
Total	**734,854**	**651,025**

The average number of full-time employees in 2015 was 922 compared to 808 in 2014. At the end of 2015 the company had 937 full-time employees compared to 852 at year end 2014.

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

	2015	2014
Note 4 Financial income		
Interest income from group companies	760	542
Other financial income	7,086	2,633
Total	**7,846**	**3,175**

	2015	2014
Note 5 Financial expenses		
Interest expenses to group companies	34	58
Other financial expenses	9,814	7,180
Total	**9,848**	**7,238**

NOTES – PARENT COMPANY

(DKK 1,000)

Note 6 Income taxes

The Parent Company paid DKK 22.2 million in tax related to current year (DKK 18,8 million in 2014).

Note 7 Intangible assets

2015	ERP-system and software	Intangible assets under construction	Total
Cost at 1 January	42,044	10,143	52,187
Additions during the year	4,782	9,039	13,821
Disposals during the year	(38,377)	-	(38,377)
Transfer from/(to) other items	14,064	(14,064)	-
Cost at 31 December	**22,513**	**5,118**	**27,631**
Depreciation and impairment losses at 1 January	40,220	-	40,220
Depreciation for the year	3,133	-	3,133
Disposals during the year	(38,377)	-	(38,377)
Depreciation and impairment losses at 31 December	**4,976**	**-**	**4,976**
Carrying amount at 31 December	**17,537**	**5,118**	**22,655**

Note 8 Property, plant and equipment

2015	Other equipment
Cost at 1 January	34,741
Additions during the year	(7,565)
Disposals during the year	(5,005)
Cost at 31 December	**22,171**
Depreciation and impairment losses at 1 January	21,999
Depreciation for the year	2,933
Disposals during the year	(5,005)
Depreciation and impairment losses at 31 December	**19,927**
Carrying amount at 31 December	**2,244**

NOTES – PARENT COMPANY

(DKK 1,000)

	2015	2014
Note 9 Investments in subsidiaries and joint ventures		
Investments in subsidiaries		
Cost at 1 January	331,907	331,429
Additions during the year	30,902	478
Divestments during the year	(2,545)	-
Cost at 31 December	**360,264**	**331,907**
Revaluation at 1 January	(205,431)	(138,301)
Exchange rate adjustments	4,121	13,352
Net profit/(loss) for the year	1,262	(63,626)
Divestment during the year	3,394	-
Remeasurements pension and fair value adjustment	(12,893)	(16,856)
Revaluation at 31 December	**(209,547)**	**(205,431)**
Depreciation and impairment losses at 1 January	(81,495)	(74,913)
Exchange rate adjustments	5	(7)
Amortisation of goodwill	(6,577)	(6,575)
Impairment losses and depreciation at 31 December	**(88,067)**	**(81,495)**
Carrying amount at 31 December	**62,650**	**44,981**

Aggregated financial information of subsidiaries:

2015

Company	Domicile	Share of ownership	Share capital	Net equity	Profit/Loss
NNE Pharmaplan sas	Chatres, France	100%	EUR 1,000,000	21,101	6,195
NNE Pharmaplan Inc.	Morrisville, United States	100%	USD 375,568	7,249	(1,511)
NNE Pharmaplan (Tianjin) Co. Ltd.	Tianjin, China	100%	USD 1,490,000	67,118	5,235
NNE Pharmaplan AB	Stockholm, Sweden	100%	SEK 100,000	1,334	88
NNE Pharmaplan GmbH	Bad Homburg, Germany	100%	EUR 550,000	(48,065)	(10,787)
NNE Pharmaplan Ltd.	Dublin, Ireland	100%	EUR 1	312	(14)
NNE Pharmaplan SA	Brussel, Belgium	100%	EUR 440.000	4,986	1,728
NNE Pharmaplan Consultoria LTDA (Shares sold per 31 March 2015)	Curitiba, Brazil	0%		-	305
NNE Pharmaplan Hong Kong Limited	Hong Kong, China	100%	HKD 10.000	185	23
				54,220	**1,262**
Goodwill etc at 31 December				8,430	-
Amortisation of goodwill etc				-	(6,577)
Total				**62,650**	**(5,315)**

NOTES – PARENT COMPANY

(DKK 1,000)

	2015	2014
Note 10 Financial assets		

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

Note 11 Share capital

	2015	2014
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 and company cars. Expenses related to lease rentals amount to DKK 20.8 million in 2015 and DKK 20.6 million in 2014.

Other Commitments
Other commitments are related to non-cancellable commitments related to internal consultants, licenses and purchase obligations. 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:

	2015	2014
Within one year	34,415	34,457
Between one and two years	19,931	22,575
Between two and three years	18,122	18,640
Between three and four years	16,943	16,960
Between four and five years	16,674	16,454
After five years	12,576	29,024
Total	**118,661**	**138,110**
Guarantees		
Bank guarantees	19,391	30,360
Other guarantees	42,504	37,367
Total	**61,895**	**67,727**

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.

In 2015, NNE Pharmaplan A/S increased its investement in NNE Pharmaplan Inc when part of NNE Pharmaplan Inc's debt to NNE Pharmaplan A/S was converted into paid in capital. The converted amount is DKK 20.3 million.

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 2015.

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 2015, the results of the Group and the Parent Company operations and consolidated cash flows for the financial year 2015. 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, 8 March 2016

Executive Management

Jesper Kløve
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 2015, 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 2015 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2015 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 2015 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act and Danish disclosure requirements.

Statement on Management's Review

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

Gentofte, 8 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Rasmus Friis Jørgensen
State Authorised Public Accountant

Annette Skou Thomsen
State Authorised Public Accountant

NNE Pharmaplan worldwide

Focused pharma engineering