Ferrosan A/S

Lautrupvang 8, DK-2750 Ballerup, Denmark
CVR no. 13 24 60 92

Annual report for the year ended 30 November 2016

Approved at the company's annual general meeting on 27 April 2017

Chairman:

Nicholas William Boe Stenderup

Contents

Management's review

Company details

Address, zip code, city	Lautrupvang 8, DK-2750 Ballerup, Denmark
CVR no.	13 24 60 92
Home Page	www.pfizer.dk
Tel. Telefax	+45 44 20 11 00 +45 44 20 11 02
Board of directors	Lene Nanna von Meyeren Jannov, chairman Michael Christian Remy Jensen Kamila Katarzyna Kozikowska
Executive board	Henriette Rosenquist, managing director
Auditors	KPMG Statsautoriseret Revisionspartnerselskab, Dampfærgevej 28, DK-2100 Copenhagen, Denmark

Management's review - continued

Financial highlights

5-year summary (in DKK thousands, except per share data):

Key figures (in DKK thousands)	**2015/16**	**2014/15**	**2013/14**	**2012/13**	**2011/12**
Revenue	192,064	247,879	375,220	504,370	468,390
Operating profit/loss	-187,686	-289,646	-194,038	-85,926	-278,150
Net financials	-4,239	-22,203	7,672	-156,820	-1,929
Profit/loss for the year	-154,479	-355,847	-143,083	-525,086	-135,387
Balance sheet total	121,422	265,352	455,445	495,998	953,979
Investments in property, plant and equipment	2,628	6,624	40,686	36,089	49,527
Equity	-18,039	-347,804	-24,157	118,926	644,012
Financial ratios in %					
EBIT margin	-97.7	-116.8	-51.7	-17.0	-59.4
Current ratio	67.3	37.0	95.7	163.7	300.5
Equity ratio	-14.9	-131.1	-5.3	24.0	67.5
Return on equity	84.5	191.3	-302.0	-137.6	-19.0

Management's review

The company's business review

Ferrosan A/S is a part of the American Pfizer group, a multinational pharmaceutical group listed on the New York Stock Exchange.

Ferrosan A/S is a part of the consumer healthcare business and specialises in dietary supplement and lifestyle products.

Financial review

Ferrosan A/S realized revenue of DKK 192 million in 2015/16 compared to 2014/15 where revenue amounted to DKK 248 million.

In 2016/15, loss for the year amounted to DKK 154 million compared to DKK 356 million in 2014/15.

In 2011/12 it was decided to close down the production facility in Soeborg. The close down is carried out in year 2015/16.

The loss in 2015/16 was negatively impacted by lower revenue and higher level of costs due to close down activities.

At the end of 2015/16, the company had a negative equity of DKK 18 million against a negative equity of DKK 348 million in 2014/15. The equity was re-established in April 2016 with DKK 489 million by cash capital injection.

The company is supported financially by the Pfizer Group. In addition, C.P. Pharmaceuticals International C.V. has confirmed to render financial support, if needed, up until 30 November 2017.

The overall performance in 2015/16 has been lower than expected because of the above mentioned.

In 2015/16, the company merged with its parent company Ferrosan Holding A/S, in a downstream merger. The merger was performed at accounting values with retrospective effect from 1 December 2015 without restatement of comparative figures for 2014/15. In the merger, net liabilities of DKK 9 million were transferred to Ferrosan A/S.

Non-financial matters

Environment

Ferrosan A/S continued implementation of initiatives considering both the staff and the surrounding environment.

Ferrosan A/S continued to implement energy saving project in accordance to the feasibility for both environmental and financial benefit.

Ferrosan A/S has environmental approval and presents environmental accounts. Each year Ferrosan A/S is reporting an "environmental report" to the municipality to get the approval and to present the environmental account. This has been conducted until the exit of the site.

Post balance sheet events

In March 2017, the shares of the Romanian subsidiary- Ferrosan S.R.L. of DKK 18.3 million have been transferred to a Pfizer entity in Luxemburg for a sales price of DKK 89.9 million.

Outlook

In 2016/17, Ferrosan A/S expects improved operating result compared to 2015/16 as the site has been closed down and earnings will primarily relate to its intellectual rights.

Statement by the management on the annual report

The Board of directors and the Executive board have today discussed and approved the annual report of Ferrosan A/S for the financial year 1 December 2015 - 30 November 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 November 2016 and of the results of the company's operations for the financial year 1 December 2015 - 30 November 2016.

Further, in our opinion, the management's review gives a fair review of the matters discussed in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Ballerup, Denmark, 24 April 2017

Executive board:

Henriette Rosenquist
managing director

Board of directors:

Lene Nanna von Meyeren Jannov Chairman	Michael Christian Remy Jensen	Kamila Katarzyna Kozikowska

Independent auditor's report

To the shareholders of Ferrosan A/S

Independent auditor's report on the financial statements

We have audited the financial statements of Ferrosan A/S for the financial year 1 December 2015 – 30 November 2016. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that management determines is necessary to enable the preparation of 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 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 as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 30 November 2016 and of the results of the company's operations for the financial year 1 December 2015 – 30 November 2016 in accordance with the Danish Financial Statements Act.

Independent auditor's report

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 24 April 2017
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no.: 25 57 81 98

Benny Lynge Sørensen
State Authorised
Public Accountant

Joakim Juul Larsen
State Authorised
Public Accountant

Financial statements for the period 1 December 2015 – 30 November 2016

Income statement

Notes		2015/16 DKKt	2014/15 DKKt
2	Revenue	192,064	247,879
	Cost of sales	148,511	205,520
3	Other external expenses	116,189	174,160
	Gross loss	**-72,636**	**-131,801**
4	Staff costs	79,715	104,139
8	Depreciation and impairment of property plant and equipment	27,583	53,706
	Other operating costs	7,752	0
	Operating loss	**-187,686**	**-289,646**
	Loss from investments in group entities	0	-106
5	Financial income	10,709	49,242
6	Financial expenses	14,948	71,445
	Pre-tax loss	**-191,925**	**-311,955**
7	Tax for the year	-37,446	43,892
	Loss for the year	**-154,479**	**-355,847**
	Recommended appropriation of the loss for the year		
	Retained earnings	-154,479	-355,847
		-154,479	**-355,847**

Financial statements for the period 1 December 2015 – 30 November 2016

Balance sheet

Notes		30/11 2016 DKKt	30/11 2015 DKKt
	Assets		
	Fixed assets		
	Leasehold improvements	0	15,026
	Plant and machinery	0	34,433
	Other fixtures and fittings, tools and equipment	0	6,543
	Property, plant and equipment in progress	0	1,220
8	**Property, plant and equipment**	**0**	**57,222**
9	Investments in group entities	27,517	29,481
9	Other investments	0	4,268
	Receivables from group entities	19	1,755
	Investments	**27,536**	**35,504**
	Total fixed assets	**27,536**	**92,726**
	Current assets		
	Raw materials and consumables	0	37,713
	Work in progress	0	621
	Manufactured goods and goods for resale	0	22,700
	Inventories	**0**	**61,034**
	Trade receivables	3	822
	Receivables from group entities	9,031	47,407
	Income taxes receivable	8,373	11,492
11	Deferred tax assets	72,118	42,772
	Other receivables	4,329	1,629
	Receivables	**93,854**	**104,122**
	Cash and cash equivalents	**32**	**7,470**
	Total current assets	**93,886**	**172,626**
	Total assets	**121,422**	**265,352**

Financial statements for the period 1 December 2015 – 30 November 2016

Balance sheet

Notes		30/11 2016 DKKt	30/11 2015 DKKt
	Equity and liabilities		
	Equity		
10	Share capital	121,827	121,827
	Retained earnings	-139,866	-469,631
	Total equity	**-18,039**	**-347,804**
	Provisions		
	Other provisions	0	147,123
12	**Total provisions**	**0**	**147,123**
	Liabilities		
	Trade payables	98	12,884
	Payables to group entities	5,883	425,769
13	Other payables	133,480	27,380
	Short-term liabilities	**139,461**	**466,033**
	Total liabilities	**139,461**	**466,033**
	Total equity and liabilities	**121,422**	**265,352**

Financial statements for the period 1 December 2015 – 30 November 2016

Statement of changes in equity

(DKKt)	Share capital	Retained earnings	Total
Equity at 1/12 2015	121,827	-469,631	-347,804
Share capital increase including share premium		488,530	488,530
Transfer retained earnings from merging of Ferrosan Holding A/S		-8,559	-8,559
Transfer warrants from merging of Ferrosan Holding A/S		4,273	4,273
Loss for the year, cf. appropriation of loss		-154,479	-154,479
Equity at 30/11 2016	**121,827**	**-139,866**	**-18,039**

Notes to the financial statements

1 Accounting policies

The annual report of Ferrosan A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium reporting class C enterprises. Last year the reporting class was large C.

The accounting policies applied by the company are consistent with those of last year.

Omission to present a cash flow statement

As allowed under section 86 (4) of the Danish Financial Statements Act, no cash flow statement has been prepared as reference is made to consolidated financial statements for Pfizer Inc., USA.

Consolidated financial statements

Ferrosan A/S (the company) and its subsidiaries are included in the consolidated financial statements for Pfizer Inc. Therefore the company will not prepare any consolidated financial statements for Ferrosan A/S group in accordance with The Danish Financial Statements Act § 112.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Reporting currency

The company's functional currency is Danish kroner (DKK). Thus, other currencies than Danish kroner are considered foreign currencies. DKK is used as the measurement and presentation currency in the preparation of the annual report. Amounts in the annual report are stated in thousands of Danish kroner (DKK).

Currency translation

During the year, transactions denominated in foreign currency are converted at the exchange rate ruling at the transaction date. Gains and losses arising as a result of differences between the exchange rate at the transaction date and the exchange rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items are converted at the exchange rates ruling at the balance sheet date, and exchange differences are recorded in the income statement under financial items.

Warrants

For granted warrants, new shares are issued when they are exercised. As a result, no expense is recognised in the income statement at the grant date.

Notes to the financial statements

1 Accounting policies - continued

Derivative financial instruments

Derivative financial instruments are recognised upon first inclusion in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognised under receivables from group entities and payables to group entities, respectively. Changes in the fair value are recognised continuously in the income statement as financial items.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement if delivery and the transfer of risk have taken place before the end of the financial year and the amount can be reliably measured and is expected to be received. Other income is recognised when the underlying services are provided; royalty, concessions, etc. are usually recognised on the basis of the terms of the agreement.

Cost of sales

Costs of sales comprise cost of goods sold and the expenses defrayed to achieve the year's net revenue. Cost of goods sold includes raw materials and consumables.

Other external expenses

Other external expenses comprise other production expenses, administrative expenses and distribution expenses.

Staff costs

Staff costs comprise salaries, wages and pensions as well as other staff costs.

Depreciation and impairment of property, plant and equipment

Depreciation relate to tangible assets.

The expected useful lives of the assets are as follows:

	Useful life (year)
Leasehold improvements	10 years
Plant and machinery	8-20 years
Other fixtures and fittings, tools and equipment	3-12 years

Depreciations are adjusted according to expected time for closing down the production facility in Soeborg.

Financial income and expenses

Financial income and expenses include interest, realised and unrealised exchange differences, supplements and allowances under the on-account tax scheme, value adjustments of securities and similar items.

Notes to the financial statements

1 Accounting policies - continued

Tax

Tax for the year, consisting of the year's current tax and changes in deferred tax, is recognised in the income statement at the amount that can be attributed to the profit/loss for the year and recognised directly in the equity statement at the amount that can be attributed to movements directly in equity.

Current tax liabilities and current tax receivables, respectively, are recognised in the balance sheet as calculated tax of the taxable income for the year.

Deferred tax is measured on all timing differences between the accounting and tax value of assets and liabilities, where the tax value of the assets is calculated on the basis of the planned use of the particular asset.

Deferred tax is measured on the basis of the tax legislation and rates of income tax which will be applicable on the balance sheet date, when the deferred tax is expected to be paid as current tax. Changes in deferred tax as a result of changes in the rates of income tax are included in the income statement.

Deferred tax assets, including the tax value of tax losses carried forward, are measured in the balance sheet at the amount at which the asset is expected to be realised, either by setting off deferred tax liabilities or as net tax assets.

The company is taxed jointly with all Danish subsidiaries in Pfizer group. The current Danish corporate tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with reimbursement for tax losses).

Notes to the financial statements

1 Accounting policies - continued

Balance sheet

Property, plant and equipment

Tangible assets are measured at cost less accumulated depreciation.

Cost comprises the cost of acquisition and costs directly related to an acquisition up until the time when the asset is ready for use.

The basis of depreciation, which is calculated as the cost less any residual value, is allocated on a straight-line basis over the estimated useful lives of the assets.

Investments in group entities

Investments in group entities are recognised and measured at cost. Where the net realisable value is lower than cost, write down to the lower value is recognised.

Gains or losses on disposal of group entities are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus anticipated disposal costs. Gains or losses are recognised in the income statement.

Dividends from subsidiaries are recognised in the income statement in the financial year where the dividends are declared.

Impairment of fixed assets

The carrying amounts of tangible assets are analysed annually to determine whether there are any indications of impairment in excess of what is expressed in normal depreciation of the assets. Similarly, investments are analysed for any indication of impairment. If there is any indication of impairment relative to the carrying amount at the balance sheet date, the asset is written down to its lower recoverable amount. The recoverable amount of the asset is determined as the higher of the net selling price and the capital value. If a recoverable amount for the individual assets cannot be determined, the smallest group of assets for which it is possible to determine the recoverable amount is analysed for impairment.

Inventories

Inventories are valued at the lower of historic cost (according to the FIFO principle) and net realisable value. The net realisable value of inventories is calculated as the total of future revenues expected, at the balance sheet date, to be generated by inventories in the process of normal operations and determined allowing for marketability, obsolescence and developments in expected sales sum less the estimated expenses necessary to make sales.

The cost of goods for resale and raw materials and consumables includes the purchase price plus transportation costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with the addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Notes to the financial statements

1 Accounting policies - continued

Receivables

Receivables are measured in the balance sheet at amortised cost, which essentially corresponds to the nominal value or a lower net realisable value. Write-downs to net realisable value are calculated on the basis of an individual assessment of each receivable and for trade receivables also with a general impairment loss based on the company's experience from prior years.

Other receivables primarily comprise receivables from staff and public authorities, which are measured at nominal values and the fair value of forward contracts.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Equity

Proposed dividend

Dividends expected to be paid in respect of the year are stated as a separate line item under equity. Dividends are recognised as a liability when adopted by the shareholders at the annual general meeting.

Provisions

Provisions are recognised when, as a consequence of an event that has occurred before or on the balance sheet date, the company has a legal or constructive obligation, and it is likely that economic benefits must be given up to meet the obligation.

Liabilities

Other liabilities to group entities are measured at amortised cost and essentially correspond to nominal value.

Other liabilities primarily comprise liabilities to staff and public authorities, which are measured at nominal values and the fair value of forward contracts.

Segment information

Information is provided on geographical markets. Segment information is based on the company's accounting policies.

Business combinations

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities under common control. The uniting of interests is considered to have been completed at the beginning of the financial year without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity are recognised in equity.

Notes to the financial statements

1 Accounting policies - continued

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios 'Recommendations and Financial Ratios 2015', cf. below:

Definition of financial ratios

EBIT margin:
Profit/loss from ordinary operating activities / Revenue * 100

Current ratio:
Current assets / Current liabilities * 100

Equity ratio:
Closing equity / Equity & liabilities at year-end * 100

Return on equity:
Profit/loss for the year / Average equity * 100

		2015/16 DKKt	2014/15 DKKt
2	**Revenue**		
	Business segmentation of revenue:		
	Revenue, outside Denmark	-126	-127
	Revenue, group entities	184,483	236,619
	Other operating income	7,707	11,387
		192,064	**247,879**

With reference to §96 in the Danish Financial Statement Act product segmentation of revenue has not been disclosed as this information is considered sensitive which can cause considerable damage for the company.

		2015/16 DKKt	2014/15 DKKt
3	**Other external expenses**		
	Including fees to auditors appointed at the general meeting, specified as follows:		
	KPMG		
	Statutory audit	258	535
		258	**535**
	KPMG		
	Statutory audit last year	0	3
		0	**3**
4	**Staff costs**		
	Analysis of staff costs:		
	Wages/salaries	70,844	92,839
	Pensions	7,932	10,027
	Other social security costs	939	1,273
		79,715	**104,139**
		Number	**Number**
	Average number of employees	**134**	**182**

By reference to section 98b (3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.

		2015/16 DKKt	2014/15 DKKt
5	**Financial income**		
	Interest receivable, group entities	9,648	40,531
	Other financial income	1,061	8,711
		10,709	**49,242**

		2015/16 DKKt	2014/15 DKKt
6	**Financial expenses**		
	Impairment of financial assets	1,964	20,937
	Interest expenses, group entities	11,218	48,005
	Other financial expenses	1,766	2,503
		14,948	**71,445**

Currency risks and use of derivative financial instruments

Currency risks

As a part of the group policy the company has entered into intercompany forward exchange contracts to minimize the currency risk on current assets and liabilities in foreign currencies.

The unrealised net profit on forward exchange contracts as of 30 November 2016 amounts to DKKt 513 which relates to prior year. The market value of contracts entered into at 30 November 2016 is therefore DKK 0 (30 November 2015: DKKt 513). The change is recognised under financial items in the income statement.

Credit risks

Ad hoc credit rating of major customers is carried out.

Appraisals of the customer's ability to meet payments and the need for reserves for bad debts are carried out on an ongoing basis.

		2015/16 DKKt	2014/15 DKKt
7	**Tax for the year**		
	Estimated income tax from the joint taxation	-8,373	-11,492
	Deferred tax adjustments in the year	-29,277	55,854
	Tax adjustments, prior years	204	-470
		-37,446	**43,892**

8 Property, plant and equipment

(DKKt)	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost					
Balance at 1/12 2015	66,500	206,259	43,384	1,220	317,363
Additions in the year	0	988	1,640	0	2,628
Disposals in the year	-66,500	-153,233	-40,722	0	-260,455
Transfer from other accounts	0	390	830	-1,220	0
Cost at 30/11 2016	**0**	**54.404**	**5,132**	**0**	**59,536**
Depreciation and impairment losses					
Balance at 1/12 2015	51,474	171,826	36,841	0	260,141
Depreciation in the year	15,026	8,965	3,592	0	27,583
Depreciation and impairment losses, disposals	-66,500	-126,387	-35,301	0	-228,188
Depreciation and impairment losses at 30/11 2016	**0**	**54,404**	**5,132**	**0**	**59,536**
Carrying amount at 30/11 2016	**0**	**0**	**0**	**0**	**0**

Notes to the financial statements

9 Investments

(DKKt)	Group entities in total	Other investments
Cost		
Balance at 1/12 2015	191,385	6,237
Disposals in the year	0	-6,237
Cost at 30/11 2016	**191,385**	**0**
Impairment losses		
Balance at 1/12 2015	-161,904	-1,969
Impairment losses in the year	-1,964	1,969
Impairment losses at 30/11 2016	**-163,868**	**0**
Carrying amount at 30/11 2016	**27,517**	**0**

	Domicile	Interest (%)	Equity DKKt	Profit/loss DKKt
Subsidiaries				
Ferrosan International A/S	Denmark	100.00	10,179	1,800
Ferrosan S.R.L.	Romania	99.00	27,409	9,480

Based on latest available annual report and trial balance.

	30/11 2016 DKKt	30/11 2015 DKKt
10 Share capital		
Analysis of the company's share capital, DKK 121,827 thousand:		
10,000,002 class A-share(s) of DKK 10.00 each	100,000	100,000
2,182,746 class B-share(s) of DKK 10.00 each	21,827	21,827
	121,827	**121,827**

Each A share gives 10 votes, and each B share gives 1 vote pursuant to article 9 of the company's articles of association.

	Note 1 2015/16 DKKt	2014/15 DKKt	2013/14 DKKt	2012/13 DKKt	2011/12 DKKt
Analysis of changes in the share capital over the past 5 years:					
Opening balance	121,827	121,827	121,827	121,827	121,827
Capital increase	0	0	0	0	0
Closing balance	**121,827**	**121,827**	**121,827**	**121,827**	**121,827**

Note 1: Capital increase of one A-share in year 2015/16.

Notes to the financial statements

11 Deferred tax

	Deferred tax liability[-] / assets[+] 2015/16 DKKt	Deferred tax liability[-] / assets[+] 2014/15 DKKt
Property, plant and equipment	43,231	35,465
Tax loss carry forward	115,180	76,563
Other taxable temporary differences	26,707	37,744
Write-down of deferred tax assets	-113,000	-107,000
Total Tax assets [+]	**72,118**	**42,772**

Other taxable temporary differences include provision for restructuring costs at DKKt 25,268 (2014/15: DKKt 26,679).

The company's management expect that the deferred tax assets can be used within the next 5 years as a part of improved operating result and used within the Danish joint taxation.

12 Provisions

Total provisions DKK 0 relate to restructuring costs DKK 0 and decommissioning costs DKK 0 (2014/15: DKKt 147,123 hereof DKKt 121,269 relates to restructuring costs and DKKt 25,854 relates to decommissioning).

Provisions for restructuring costs and for decommissioning costs are related to closing of production facility in Soeborg, including costs to termination of employees.

The production facility was closed down in 2016. Remaining liabilities relate to terminated employees and decommissioning payable in 2017, have been recognised as other payables.

	30/11 2016 DKKt	30/11 2015 DKKt
13 Other payables		
Employee liabilities, close down of activities	114,853	0
Provision for decommissioning costs	834	0
Accrued public authorities	398	4,301
Accrued holiday allowances	9,948	12,767
Other accrued expenses	7,447	10,312
	133,480	**27,380**

Notes to the financial statements

14 Contingent liabilities and other financial obligations

The company has rent and leasing costs due within 1 to 5 years of DKK 0 (2014/15: DKKt 13,210) and after 5 years of DKK 0 (2014/15: DKKt 0), total DKK 0 (2014/15: DKKt 13,210).

The company is jointly taxed with other Danish companies in the Pfizer group.
As a wholly owned subsidiary of Pfizer Inc., the company is unlimited and solidarity liable with the other companies in the joint taxation regarding income taxes, Danish withholding taxes on dividends, interest and royalties in the joint taxation. Payable income taxes and withholding taxes in the joint taxation are as of 30 November 2016 DKK 0. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the company's liability being higher.

Other contingent liabilities

The company is part of legal proceedings that are estimated not to have any significant accounting effect.

15 Related parties

Information about consolidated financial statements:

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Pfizer Inc.	219-8-6A East 42nd Street, New York, N.Y. 10017, USA	http://www.pfizer.com

Related party transactions

Transactions with related parties have in the financial year comprised sale and purchase of goods and services.

The following shareholders are registered in the company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Parent	Domicile
C.P. Pharmaceuticals International C.V.	Netherlands