

Novo Nordisk Region International Operations A/S

c/o Novo Nordisk A/S
Novo Allé
2880 Bagsværd
Denmark

CVR number 26 40 95 94

Annual Report 2015

**The Annual Report has been presented and adopted at the Annual
General Meeting on 25 April 2016.**



Chairman of the meeting

Novo Nordisk Region International Operations A/S
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Novo Nordisk Region International Operations A/S
Statement by the Board of Directors and Executive Management

Today, the Board of Directors and Executive Management have approved the Annual Report of Novo Nordisk Region International Operations A/S for the year 2015.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the company at 31 December 2015 and of the results of the company's operations for 2015 in accordance with the Danish Financial Statements Act.

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

Bagsværd, 25 April 2016

Executive Management:

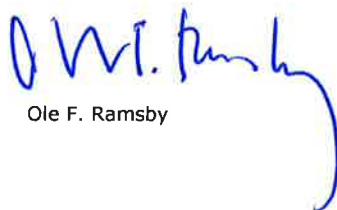


Karsten Munk Knudsen

Board of Directors:



Jesper Brandgaard
Chairman



Ole F. Ramsby



Lars Fruergaard Jørgensen

Novo Nordisk Region International Operations A/S
Independent Auditor's reports

To the shareholders of Novo Nordisk Region International Operations A/S

Report on the Financial Statements

We have audited the Financial Statements of Novo Nordisk Region International Operations A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, accounting policies 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 as 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 about whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the company at 31 December 2015 and of the results of the company's operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management Review

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

Bagsværd, 25 April 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Cvr.no.: 33 77 12 31


Torben Jensen
State Authorised Public Accountant


Mads Melgaard
State Authorised Public Accountant

Novo Nordisk Region International Operations A/S
Company information

Company	Novo Nordisk Region International Operations A/S c/o Novo Nordisk A/S Novo Allé 2880 Bagsværd Denmark
	CVR no.: 26 40 95 94
	Founded: 1 January 2002
	Municipality of domicile: Gladsaxe
	Financial year: 1 January – 31 December
Board of Directors	Jesper Brandgaard, formand Lars Fruergaard Jørgensen Ole F. Ramsby
Executive Management	Karsten Munk Knudsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup Denmark
General meeting	The Annual General Meeting will be held on 25 April 2016 at the company's address.

Novo Nordisk Region International Operations A/S Management Review

Main activities

The company's main activities are the holding of equity investments in domestic and foreign companies, and other investments, as well as financial activities, and – at the discretion of the Board of Directors – supporting the operations of such companies.

Trends during the financial year

Net profit for Novo Nordisk Region International Operations A/S ended at DKK 1,020,121 thousand for the year 2015 compared with DKK 781,982 thousand for the year 2014. The improvement in net profit is related to profit in subsidiaries.

Events after the balance sheet date

Due to change of regional structure the two affiliates in Australia and New Zealand have in 2016 been sold back to Novo Nordisk Region Japan & Korea A/S from the company.

Novo Nordisk Region International Operations A/S
Income statement

	Note	2015 DKK '000	2014 DKK '000
Administrative costs		276	276
Operating loss		276	276
Profit/(loss) in subsidiaries	3	1,031,208	787,943
Financial income	1	32	2,558
Financial expenses	2	11,197	8,484
Profit/(loss) before income taxes		1,019,767	781,741
Income taxes		(354)	(241)
NET PROFIT/(LOSS) FOR THE YEAR		1,020,121	781,982
Proposed appropriation of net profit:			
Proposed dividends		1,440,000	180,000
Retained earnings		(675,386)	(266,643)
Net revaluation reserve according to the equity method		255,507	868,625
Distribution of net profit		1,020,121	781,982

Novo Nordisk Region International Operations A/S
Balance sheet at 31 December

	Note	2015 DKK '000	2014 DKK '000
ASSETS			
Financial assets	3	6,262,888	7,024,914
TOTAL NON-CURRENT ASSETS		6,262,888	7,024,914
Amounts owed by affiliated companies		1,027,581	333,878
Tax receivables		2,097	1,946
Other receivables		205	124
Cash at bank and on hand		2,979	2,731
TOTAL CURRENT ASSETS		1,032,862	338,679
TOTAL ASSETS		7,295,750	7,363,593
EQUITY AND LIABILITIES			
Share capital	4	113,303	113,303
Net revaluation reserve according to the equity method		2,269,208	2,013,701
Retained earnings		3,459,637	4,365,315
Proposed dividends		1,440,000	180,000
TOTAL EQUITY		7,282,148	6,672,319
Long-term loan from affiliated company	5	-	533,334
TOTAL NON-CURRENT LIABILITIES		-	533,334
Amounts owed to affiliated companies		753	148,055
Other liabilities		12,849	9,885
TOTAL CURRENT LIABILITIES		13,602	157,940
TOTAL LIABILITIES		13,602	691,274
TOTAL EQUITY AND LIABILITIES		7,295,750	7,363,593

Novo Nordisk Region International Operations A/S
Statement of changes in equity at 31 December

	Share capital DKK '000	Net revaluation reserve DKK '000	Retained earnings DKK '000	Proposed dividends DKK '000	Total DKK '000
2015					
Balance at the beginning of the year	113,303	2,013,701	4,365,315	180,000	6,672,319
Net profit/(loss) for the year			1,020,121		1,020,121
Proposed dividends			(1,440,000)	1,440,000	-
Dividends paid				(180,000)	(180,000)
Transfer of net profit for the year to net revaluation reserve		255,507	(255,507)		-
Exchange rate adjustments of investments in subsidiaries			(230,303)		(230,303)
Other adjustments			11		11
Balance at the end of the year	113,303	2,269,208	3,459,637	1,440,000	7,282,148
2014					
Balance at the beginning of the year	113,303	1,145,076	4,198,867	-	5,457,246
Net profit/(loss) for the year			781,982		781,982
Proposed dividends			(180,000)	180,000	-
Transfer of net profit for the year to net revaluation reserve		868,625	(868,625)		-
Exchange rate adjustments of investments in subsidiaries			433,099		433,099
Other adjustments			(8)		(8)
Balance at the end of the year	113,303	2,013,701	4,365,315	180,000	6,672,319

Novo Nordisk Region International Operations A/S

Accounting policies

Accounting basis

The Annual Report of the company is prepared in accordance with the Danish Financial Statements Act for a class B enterprise.

The Annual Report is presented in DKK 1,000.

In accordance with section 112 of the Danish Financial Statements Act, consolidated financial statements have not been prepared. The consolidated financial statements of the parent company, Novo Nordisk A/S, and the ultimate parent company, Novo Nordisk Foundation, in which Novo Nordisk Region International Operations A/S is fully consolidated, can be ordered from Novo Nordisk A/S (CVR nr. 24 25 67 90), Novo Allé, 2880 Bagsværd, Denmark, and from the Novo Nordisk Foundation (CVR nr. 10 58 29 89), Tuborg Havnevej 19, 2900 Hellerup, Denmark.

Translation of foreign currencies

Assets and debt in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Financial statements of foreign subsidiaries are translated into Danish kroner at the exchange rates at the balance sheet date for the balance sheet items and at average exchange rates for income statement items.

All exchange rate adjustments are recognised in the income statement except exchange rate adjustments arising from:

- translation of subsidiaries' net assets at the beginning of the year at the exchange rates at the balance sheet date
- translation of subsidiaries' income statements at average exchange rates and translation of their balance sheet items at the exchange rates at the balance sheet date
- translation of non-current intra-Group receivables that are considered a supplement to the net assets of the subsidiaries.

The above currency translation differences are recognised directly in equity.

Administrative costs

Administrative costs comprise of audit fee and administrative costs.

According to the Danish Financial Statements Act §98b (3) executive management remuneration is not disclosed.

Financial items

Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses on securities, debt and transactions in foreign currencies, amortisation of financial assets and liabilities, as well as surcharges and allowances under the tax prepayment scheme etc. Financial income and expenses are recognised by the amounts pertaining to the financial year.

Share-based payment

The parent company offers incentive schemes to a group of managerial employees in the company's subsidiaries. A provision is recognised as part of 'Financial assets' concurrently with the employees earning the right. A corresponding receivable is recognised within the same line item, reflecting the compensation of the share-based payment costs paid by Novo Nordisk A/S via service fees or transfer pricing adjustments.

Financial assets

Equity investments in subsidiaries are recognised at equity value, i.e. at the proportional share of the carrying amount of the equity value of the subsidiary.

The share of profit or loss in subsidiaries is recognised in the income statement of the parent company.

For business combinations in connection with the foundation of the company the acquisition method is used, resulting in a revaluation of the acquired companies' assets and liabilities and recognition of goodwill. This goodwill is amortised over a maximum period of 20 years, based on life expectancy, and an impairment test is conducted annually.

Subsequent internal business combinations are recognised using the pooling of interests method, meaning that assets and liabilities are recognised at the carrying amounts that would have applied if the Group relationship had been established at the beginning of the comparative period, without any subsequent revaluation.

When using the pooling of interests method, there is no recognition of goodwill. The difference between the amount paid as capital and the equity in the acquired company is recognised directly in equity.

Net revaluation of equity investments in subsidiaries exceeding the declared dividend of the subsidiaries is transferred to equity as net revaluation reserve according to the equity method.

Novo Nordisk Region International Operations A/S

Accounting policies

Receivables

Receivables are stated at amortised cost less write-downs for potential losses on doubtful debts. The write-downs are based on an individual assessment of each debtor, including an evaluation of payment risk associated with individual countries.

Tax

Deferred tax is provided for using the balance sheet liability method and comprises all temporary differences between the carrying amount and tax base of assets and liabilities, with the exception of goodwill in situations where goodwill is not deducted for tax purposes. The tax value of tax loss carry-forwards is included in the statement of deferred tax if the losses are likely to be utilised in the future. Deferred tax is provided for using the tax rate expected to apply when the temporary differences are expected to be eliminated.

Tax payable/receivable includes tax payable computed on the basis of the expected taxable income for the year and any adjustments of taxes payable for previous years.

Income tax in the income statement comprises current tax for the year and any change in the provision for deferred tax.

The company is jointly taxed with the Danish companies in the Novo A/S Group. The tax effect of the joint taxation with the parent company and other subsidiaries is allocated to the companies in proportion to their taxable incomes (full allocation). The current tax in the joint taxation is paid by the ultimate parent company, Novo A/S, which functions as the tax administration company. The jointly taxed Danish enterprises have adopted the on-account taxation scheme.

Dividend

Proposed dividends (not yet declared) for the accounting period are recognised in retained earnings.

Long- and short-term debt

Long- and short-term debt are measured at amortised cost.

Novo Nordisk Region International Operations A/S
Notes

1 - Financial income	2015	2014
	DKK '000	DKK '000
Interest income relating to affiliated companies	25	25
Foreign exchange rate gain (net)	-	2,531
Other financial income	7	2
Total financial income	32	2,558

2 - Financial expenses	2015	2014
	DKK '000	DKK '000
Interest expenses relating to affiliated companies	6,282	8,474
Foreign exchange rate loss (net)	1,914	-
Other financial expenses	3,001	10
Total financial expenses	11,197	8,484

3 - Financial assets	2015	2014
	DKK '000	DKK '000
Capital investments in subsidiaries		
Cost at the beginning of the year	5,011,213	4,922,164
Investments during the year	5,000	89,049
Reductions during the year	(1,022,533)	-
Cost at the end of the year	3,993,680	5,011,213
Value adjustments at the beginning of the year	2,013,701	1,145,076
Profit/(loss) before tax	1,676,083	1,598,428
Income taxes on profit for the year	(637,918)	(800,208)
Amortisation and write-down of goodwill	(6,957)	(10,277)
Dividends	(545,409)	(352,409)
Effect of exchange rate adjustment	(230,303)	433,099
Other adjustments	11	(8)
Value adjustments at the end of the year	2,269,208	2,013,701
Carrying amount at the end of the year	6,262,888	7,024,914

The carrying amount of equity investments in subsidiaries includes goodwill of DKK 50 million (2014: DKK 57 million), which occurred in connection with the acquisition of subsidiaries. Amortisation of goodwill amounts to DKK 7.0 million (2014: DKK 7.0 million). Write-down of this goodwill amount to DKK 0.0 million (2014: DKK 3.3 million).

A list of capital investments in subsidiaries is shown in note 8.

4 - Share capital

The share capital consists of 113,303,310 shares of nominal value DKK 1. No shares carry any special rights.

Novo Nordisk Region International Operations A/S
Notes

5 - Long-term loan from affiliated company

The company's long-term loans from affiliated company fall due for payment within the following periods from the balance sheet date:

	2015	2014
	DKK '000	DKK '000
Within 1 year	-	133,333
Between 2 and 5 years	-	533,334
After 5 years	-	-
Total long-term amounts owed to subsidiaries	-	666,667
Long-term part of loan from affiliates company	-	533,334

6 - Contingencies

The company is 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.

The company has no other contingent liabilities.

7 - Related parties and ownership

Controlling interests

Novo Nordisk A/S, Novo Allé, 2880 Bagsværd, Denmark
 Novo A/S, Tuborg Havnevej 19, 2900 Hellerup, Denmark
 Novo Nordisk Fonden, Tuborg Havnevej 19, 2900 Hellerup, Denmark

Basis

Principal shareholder, owns 100%
 Controls Novo Nordisk A/S
 Ultimate parent of the Group

**Novo Nordisk Region International Operations A/S
Notes**

8 - Subsidiaries			Activity			
	Country	Percentage of shares owned	Production	Sales and marketing	Research and development	Service/investments
			▲	■	●	□
Subsidiaries						
Novo Nordisk Pharma Argentina S.A.	Argentina	95		■		
Novo Nordisk Pharmaceuticals Pty. Ltd.	Australia	100		■		
Novo Nordisk Pharma (Private) Limited	Bangladesh	100		■		
Novo Nordisk Produção Farmacêutica do Brasil Ltda.	Brazil	100	▲			
Novo Nordisk Farmacêutica do Brasil Ltda.	Brazil	100		■		
Novo Nordisk Farmacêutica Limitada	Chile	99		■		
Novo Nordisk (China) Pharmaceuticals Co., Ltd.	China	100	▲	■		
Novo Nordisk Colombia SAS	Colombia	100		■		
Novo Nordisk Pharma Operations A/S	Denmark	100				□
Novo Nordisk Region China A/S	Denmark	100				□
Novo Nordisk Egypt LLC	Egypt	99		■		
Novo Nordisk Egepy Trading	Egypt	99		■		
Novo Nordisk Egypt Pharmaceuticals Ltd.	Egypt	99		■		
Novo Nordisk Hong Kong Limited	Hong Kong	100		■		
Novo Nordisk India Private Limited	India	100		■		
PT. Novo Nordisk Indonesia	Indonesia	99		■		
Novo Nordisk Pharma Kish	Iran	100		■		
Novo Nordisk Pars	Iran	100		■		
Novo Nordisk Ltd	Israel	100		■		
Novo Nordisk Pharma SARL	Lebanon	99		■		
Novo Nordisk Pharma (Malaysia) Sdn Bhd	Malaysia	100		■		
Novo Nordisk Pharma Operations (BASEA) Sdn Bhd	Malaysia	100				□
Novo Nordisk Farmacêutica S.A. de C.V.	Mexico	100				□
Novo Nordisk Mexico S.A. de C.V.	Mexico	100		■		
Novo Nordisk Servicios Profesionales S.A. de C.V.	Mexico	100				□
Novo Nordisk Pharma SAS	Morocco	100		■		
Novo Nordisk Pharmaceuticals Ltd.	New Zealand	100		■		
Novo Nordisk Pharma Limited	Nigeria	100		■		
Novo Nordisk Pharma (Private) Limited	Pakistan	100		■		
Novo Nordisk Pharmaceuticals (Philippines) Inc.	Philippines	100		■		
Novo Nordisk Limited Liability Company	Russia	100		■		
Novo Nordisk Production Support LLC	Russia	100	▲			
Novo Investment Pte Limited	Singapore	100				□
Novo Nordisk Pharma (Singapore) Pte Ltd.	Singapore	100		■		
Novo Nordisk (Pty) Limited	South Africa	100		■		
Novo Nordisk Region International Operations AG	Switzerland	100				□
Novo Nordisk Pharma (Taiwan) Ltd.	Taiwan	100		■		
Novo Nordisk Pharma (Thailand) Ltd.	Thailand	49		■		
Novo Nordisk Tunisie SARL	Tunesia	100		■		
Novo Nordisk Saglik Ürünleri Tic. Ltd. Sti.	Turkey	97		■		
Novo Nordisk Pharma Gulf FZ-LLC	United Arab Emirates	100		■		
Novo Nordisk Venezuela Casa de Representación C.A.	Venezuela	100		■		