

AMO DENMARK ApS

Naverland 22
2600 Glostrup

Annual report
1 January 2015 - 31 December 2015

Approval of the annual report on the

31/05/2016

Ulrik Bangsbo Hansen
Chairman of general meeting

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Company information

Reporting company AMO DENMARK ApS
Naverland 22
2600 Glostrup

CVR-nr: 26543673
Reporting period: 01/01/2015 - 31/12/2015

Main financial institution Bank of America Denmark
King Edward Street 2
EC1A 1HQ London
GB Great Britain

Auditor ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB
Osvald Helmuths Vej 4
2000 Frederiksberg
DK Denmark
CVR-nr: 30700228
P-number: 1013415044

Statement by Management

We have today presented the annual report of AMO DENMARK ApS for the financial year 1 January to 31 December 2015. The annual report is presented 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 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, the 31/05/2016

Executive board

Per Henrik Martinsson

Independent Auditor's Reports

To the shareholders of AMO Denmark ApS

Report on financial statements

We have audited the financial statements of AMO Denmark ApS for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Executive and supervisory board's responsibility for 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 auditors' 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 auditors consider 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 on financial statements

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

Reports on other legal and regulatory requirements

Statement on Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other 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, 31/05/2016

Christan Schwenn Johansen
State Authorised Public Accountant
ERNST & YOUNG GODKENDT REVISIONSPARTNERSELSKAB
CVR: 30700228

Management's Review

Primary activities

The company is a commission agent for group companies selling contact lens fluids and eye care products. As part of the agreement the Danish company takes care of invoicing, etc., for the foreign group companies. Settlement of debtors' payments to the group companies takes place on an on-going basis. No risk on debtors is incumbent on the company. The company receives commission on its sales from AMO Ireland, an affiliated company and its expenses are reimbursed by AMO Ireland.

Developments in activities and finances

Sale of contact lens fluid and eye care products has proceeded in accordance with the approved budget. From 1st January 2012 the employees in the company have moved over to Abbott Laboratories A/S. Profit of the year amounts to DKK 616,769 and is considered satisfactory. The expectation to next year's profit is in line with 2015.

This profit will be kept as retained earnings leaving a balance of 7,519,388 DKK.

Share capital of DKK 500,000 remains unchanged since 2004.

Events after the balance sheet date

No post balance sheet events have occurred that would have a significant influence on the evaluation of the annual accounts.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. The annual report of AMO DENMARK ApS for 2015 has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act. The annual report has been presented applying the accounting policies consistently with last year. The annual report is presented in DKK.

Recognition and measurement

Income is recognized in the income statement as earned. Equally, all costs are recognised in the income statement, including depreciation and impairment.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured. Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item. In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that materially affect conditions at the balance sheet date are taken into account.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognized in the income statement as interest income or expense and similar items.

Income statement

Revenue (sales commission)

Revenue comprises commission by sale of contact lens fluids and eye care products. Income from the rendering of service (group support functions) is recognised as revenue as the services are rendered.

Reimbursement of expenses (100%)

AMO Denmark's expenses are reimbursed in full by AMO Ireland, an affiliated company.

Distribution costs

Distribution costs comprise distribution costs, selling costs, advertising costs, payroll etc.

Administration costs

Administration costs comprise costs for administration and management fee.

Financial income and expense

Interest income and expense and similar items comprise interest income and expense and realized and unrealized exchange gains and losses on receivables and payables denominated in foreign currencies.

Tax on the profit for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity. The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management

company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Depreciation based on cost reduced by any residual value is calculated on a straight-

line basis over the expected useful lives of the assets, which are:

Tools and equipment: 3 years

Fixtures and fittings: 5 years

Receivables

Receivables are measured at amortized cost. Provision is made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income in prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in the tax rate are recognized in the income statement.

Cash

Cash and cash equivalents comprise cash which are subject to an insignificant risk of changes in value.

Liabilities other than provisions

Other payables are measured at amortized cost, equaling nominal value.

Income statement 1 Jan 2015 - 31 Dec 2015

	Disclosure	2015 kr.	2014 kr.
Revenue		4,620,507	4,525,778
Gross Result		4,620,507	4,525,778
Distribution costs		-2,825,735	-2,750,417
Administrative expenses		-922,946	-961,432
Profit (loss) from ordinary operating activities		871,827	813,930
Other finance income	1	102,659	76,293
Other finance expenses	2	-130,563	-78,146
Profit (loss) from ordinary activities before tax		843,923	812,077
Tax expense	3	-227,154	-225,501
Profit (loss)		616,769	586,576
Proposed distribution of profit (loss)			
Retained earnings		616,769	586,576
Gross		616,769	586,576

Balance sheet 31 December 2015

Assets

	Disclosure	2015 kr.	2014 kr.
Fixtures, fittings, tools and equipment		235,161	6,856
Property, plant and equipment	4	235,161	6,856
Current deferred tax assets		69,723	97,575
Investments		69,723	97,575
Non-current assets		304,884	104,431
Receivables from group enterprises		4,589,199	4,526,431
Other receivables		5,252	
Receivables		4,594,451	4,526,431
Cash and cash equivalents		3,159,299	
Current assets		7,753,750	2,820,879
Total assets		8,058,634	7,451,741

Balance sheet 31 December 2015

Liabilities and equity

	Disclosure	2015 kr.	2014 kr.
Contributed capital		500,000	500,000
Retained earnings		7,019,388	6,402,619
Total equity		7,519,388	6,902,619
Trade payables		2,398	62
Tax payables		195,264	215,949
Other payables	5	341,584	333,111
Short-term liabilities		539,246	549,122
Liabilities		539,246	549,122
Liabilities and equity, gross		8,058,634	7,451,741

Statement of changes in equity 1 Jan 2015 - 31 Dec 2015

	Contributed capital	Retained earnings	Total
	kr.	kr.	kr.
Equity, beginning balance	500,000	6,402,619	6,902,619
Profit (loss)		616,769	616,769
Equity, ending balance	500,000	7,019,388	7,519,388

Disclosures

1. Other finance income

	1/1-31/12 2015	1/1-31/12 2014
Financial income from group enterprises	92,297	43,893
Exchange gains	10,362	32,400
	102,659	76,293

2. Other finance expenses

	1/1-31/12 2015	1/1-31/12 2014
Financial costs from group enterprises	95,883	47,596
Interest expenses	34,680	30,550
	130,563	78,146

3. Tax expense

	2015 kr.	2014 kr.
Current tax	195,428	215,949
Changes in deferred tax	27,852	-9,231
Prior year adjustments	3,874	18,783
	227,154	225,501

4. Property, plant and equipment

	Tools and equipment 2015	Tools and equipment 2014
Cost, beginning of year	1,155,389	1,392,741
Increase	297,557	0
Decrease	0	-237,351
Cost, end of year	1,452,945	1,155,390
Impairment losses and amortisation, beginning of year	-1,148,533	-1,147,204
Impairment losses, this year	-69,252	-175,163
Reversal on disposal	0	173,833
Impairment losses and amortisation, end of year	-1,217,785	1,148,534
 Carrying value, end of year	 235,161	 6,856

5. Other payables

	2015	2014
VAT payable	247,706	135,002
Other Payable costs	93,879	198,109
	341,585	333,111

6. Disclosure of contingent liabilities

The Company is part of a Danish joint taxation with Abbott Laboratories A/S as the administration Company. Consequently, referring to the Danish Corporation Tax Act regulations, the Company is, with effect from the financial year 2013, liable for any income taxes etc. for the jointly taxed companies and with effect from 1 July 2012, the Company is liable for any obligations to withhold tax at source on interests, royalties and returns for the jointly taxed companies.

7. Information on transactions with related parties made on an arm's length basis

AMO DENMARK ApS related parties comprise:

Control

AMO DENMARK ApS is a wholly owned subsidiary of:

AMO International Holdings, Block B, Liffey Valley Office Campus, Quarryvale, Co Dublin, Ireland.

Other related parties the Company had transactions with:

AMO Ireland, affiliated company

Abbott Medical Optics Norden AB, affiliated company

Abbott Laboratories A/S (Denmark)

Related party transactions

The Company's administrative functions are by signed contract handled by affiliated Abbott Medical Optics Norden AB.

The Company has a Commissionaire agreement with AMO Ireland. The Company's commissionaire revenue originates from this agreement.

Abbott Laboratories A/S (Denmark) bills AMO Denmark for work that Abbott employees do for AMO Denmark.