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Havneholmen 29
DK-1561 Copenhagen V
CVR no. 20 22 26 70

DAKO DENMARK A/S

PRODUKTIONSVEJ 42, 2600 GLOSTRUP

ANNUAL REPORT

2015/16

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 31 March 2017

Klaus Christian Sauber

CVR NO. 33 21 13 17

CONTENTS

COMPANY DETAILS

Company	Dako Denmark A/S Produktionsvej 42 2600 Glostrup
	CVR no.: 33 21 13 17 Established: 15 June 1967 Registered Office: Glostrup Financial Year: 1 November 2015 - 31 October 2016
Board of Directors	Richard Norman Larsen, Chairman Majken Nielsen Jan Vesth-Wiersholm
Board of Executives	Klaus Christian Sauber Lene Klejs Stuhr
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Nordea Bank Danmark A/S Hovedvejen 116 2600 Glostrup

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Dako Denmark A/S for the year 1 November 2015 - 31 October 2016.

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 October 2016 and of the results of the company's operations for the financial year 1 November 2015 - 31 October 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the Annual General meetings.

Glostrup, den 31. marts 2017

Board of Executives

Klaus Christian Sauber	Lene Klejs Stuhr

Board of Directors

Richard Norman Larsen	Majken Nielsen	Jan Vesth-Wiersholm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dako Denmark A/S

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Dako Denmark A/S for the financial year 1 November 2015 to 31 October 2016, which comprise a summary of significant accounting policies, income statement, balance sheet 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 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 have conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit Legislation. 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 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’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 entity’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 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.

The audit has not resulted in any qualification.

INDEPENDENT AUDITOR'S REPORT

Opinion
In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 October 2016 and of the results of the company's operations for the financial year 1 November 2015 - 31 October 2016 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to 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.

København, den 31. marts 2017

BDO Statsautoriseret revisionsaktieselskab, CVR-nr. 20 22 26 70

Ole C. K. Nielsen
State Authorised Public Accountant

KEY FIGURES AND RATIOS

	2015/16 DKK '000	2014/15 DKK '000	2013/14 DKK '000	2012/13 DKK '000	2011/12 DKK '000
Income statement					
Net revenue	1.727.948	1.601.475	1.317.649	1.282.333	1.014.786
Gross profit	909.760	799.938	701.196	745.812	568.019
Operating profit/loss	69.678	11.351	-78.483	97.527	153.530
Financial income and expenses, net	-9.340	-23.406	-11.503	-14.025	0
Profit/loss for the year	128.926	9.949	-113.161	-10.083	177.488
Balance sheet					
Balance sheet total	2.085.583	2.606.437	2.094.572	1.972.267	1.977.318
Equity	1.019.920	1.048.064	1.038.115	1.151.276	1.161.857
Ratios					
Solvency ratio	48,9	40,2	49,6	58,4	58,8
Return on equity	12,5	1,0	Neg.	Neg.	16,6
Average number of employees	639	696	722	572	519

The key figures follow in all material respects the recommendations of the Danish Association of Financial Analysts. Reference is made to the definitions and concepts in the accounting policies.

Principal activities

Dako Denmark A/S hereinafter referred to as “Dako” became part of Agilent Technologies Inc. hereinafter referred as “Agilent” in June 2012. Apart from the demerger of its field function into Agilent Technologies Denmark ApS and the transfer of its logistics function to Dako Logistics Company ApS, it continues to operate as a standalone entity within Agilent Technologies group.

Dako continues to build its business on a legacy of more than 45 years within Pathology-from playing a pioneering role in the standardization of antibodies to Dako’s current role within Agilent as a leader in the Pathology segment of the in vitro diagnostics (IVD) industry.

Dako’s products are sold in more than 110 countries around the world and dedicated employees work to develop, manufacture and market reagents, antibodies, instruments and software for use in anatomic pathology laboratories worldwide.

Performance in 2016

In 2016, Dako realized total sales of DKK 1,727 Million compared to DKK 1,601 Million in 2015, which translates to an organic growth of 8 %. Overall the business continued to grow in 2016 though it was still affected by the economic slowdown in key markets. The management expects growth both in test volumes and market value in the coming years as economic environment improves.

Profit before financial income and expenses amounted to DKK 66 Million compared to DKK 11 Million in 2015. Net profit for the year amounted to DKK 129 Million compared to a Net profit of DKK 10 Million in 2015. The result in 2016 are positively affected by significant gains made on account of disposal of several overseas subsidiaries.

Developments during the year

On 1st Nov 2016, Dako executed a demerger of its field function into another Danish group company called “Agilent Technologies Denmark ApS”. This demerger was retrospective in effect from 1st Nov 2015 for Danish financial reporting and tax purposes. Revenue demerged as part of the restructuring amounts net to 111 mio. DKK, and net assets booked to retained earnings amounts to 157 mio. DKK.

During FY16, Dako setup nine new Danish subsidiaries to facilitate the transfers and subsequent mergers of its existing foreign subsidiaries engaged in field functions to and with the corresponding Agilent group entities in those jurisdictions. These transfers resulted in significant non-recurring gains in Dako’s financial statements for the current fiscal.

Significant events after the end of the financial year

On 1st Nov 2016, Dako transferred its logistics function including all its finished stock in-hand and logistics equipment to a newly formed Danish subsidiary called Dako Logistics Company ApS.

On 1st Nov 2016, the Norwegian branch operations which get consolidated with Dako’s financial statements for Danish reporting purposes were transferred to a newly formed Norwegian subsidiary. The branch will now be deregistered and the investments in the new Norwegian subsidiary will be carried at cost price in Dako’s financial statements.

On 1st Feb 2017, Agilent Technologies Denmark ApS took over all the remaining employees of Dako and simultaneously entered into a labor services agreement whereby such employees would continue to provide their services to Dako. This will help the employees to use same kind of ERP tools/services as the rest of the employees in the wider group.

Research and Development

Dako has a long tradition of leading the way in cancer diagnostics research and development beginning with Dako’s pioneering work on antibody production, purification and standardization in the 1960s. With the acquisition by Agilent, the Dako portfolio is expected to develop further and faster meeting market and customer demands.

MANAGEMENT'S REVIEW

Dako's development pipeline focuses on solutions that will continue to take customers to the next level in regard to diagnostic quality and speed. Dako R&D constantly interacts with customers to understand what challenges they face, what breakthrough technologies they need in order to gain a new level of diagnostic value and what large or small improvements will make their lives easier.

Know-how and pharma partnerships
The approval of Dako's pharmDx™ product HercepTest™ and Herceptin® (by Genentech) in 1998 was the first example of an oncology drug directly linked to a specific diagnostic test. By selecting the right drug for the right patient, companion diagnostics (pharmDx™) help drive the benefits of personalized medicine over the shortcomings of trial-and-error medicine.

As an independent player in this field, Dako today is an important partner for pharmaceutical companies. Dako, as a pharma partner, is committed to improving patient care by helping pharmaceutical companies efficiently to develop and commercialize drugs with increased efficacy and better safety profiles. Dako is presently working with a number of the major tier 1 and tier 2 pharmaceutical companies to develop new potential pharmDx™ products.

Strategic initiatives
In 2015-2016, Dako continued to pursue partnership opportunities within the increasingly important area of personalized medicine and other partnerships with companies holding complementary technologies.

Operational initiatives/developments
During the year, Dako strengthened the Omnis platform with improved instrument hardware, customer friendly software and accommodation for wider range of reagents. Further, significant work was done on the H&E staining technology which aims to deliver more efficient diagnosis through its low cost high volume characteristics.

Stakeholders
As an Agilent Technologies company, Dako continues to be committed to sharing knowledge and engaging in dialog with all relevant stakeholders at all times. Dako strives to ensure an open, timely and trustworthy communication that supports the company's strategic agenda and builds on Agilent's core values.

Risk Management
Risk is an inherent part of operating within the diagnostics industry and therefore also influences many aspects of Dako's business worldwide. Continued global growth, an increasing regulatory environment and changes in the market dynamics create both challenges and opportunities for Dako.

Key Business Risks

The regulatory environment
As a manufacturer and supplier of products for clinical diagnostics, Dako is subject to a range of requirements in the countries in which it operates. Dako is focused on complying with these regulations and is dedicated to having a constructive and collaborative dialogue with the authorities.

Research and development

Dako is engaged in research and development of new products and the risk that the research or development efforts do not materialize in a new product is an integrated part of such activities. Dako is constantly monitoring and assessing the status of potential new products in its pipeline to ensure that it is using its resources for the best product candidates.

Intellectual property rights

Dako is focused on offering high quality products to its customers and is continuously engaged in R&D activities to ensure that it can maintain a high-quality product portfolio. Research and development of new products is expensive and thus Dako must protect the investments made in research and development of new products. Wherever possible, Dako seeks to have inventions arising out of its R&D activities covered by intellectual property rights. Such intellectual property rights safeguard Dako's business against other companies' or an individual's utilization of inventions by Dako.

Product supply

Dako carefully monitors the supply situation and as a general rule maintains a safety inventory to ensure that it can supply its customers in the event of a temporary production breakdown or if other unforeseen events should occur which impact Dako's ability to manufacture or ship products to its customers.

Sourcing

To ensure that Dako purchases materials and other products needed for its operations at competitive prices, a large part of such purchases have been centralized. This way Dako ensures that parameters such as volume, range and the term of the sourcing agreements can be used to achieve better prices and payment terms than if each purchase had been made as a stand-alone purchase.

Market conditions

A number of Dako's products are sold with reimbursement from public authorities. Reductions in these reimbursements may impact Dako's consolidated sales and cash flow.

Qualified employees

Staff expenses are Dako's single largest cost item, and the company's competitive strength depends in part on its ability to attract, train and retain employees with the right qualifications and the right experience. In order to do this, leadership and talent development programs are key offerings in the framework of the global Agilent Technologies organization.

Financial risks

The financial risk factors primarily comprise foreign exchange, and credit risks. Dako's financial risk management is based on policies approved by the Board of Directors. The company may use derivatives to hedge financial risks. Hedging of financial risks is managed at management level and is only focused on managing risks arising from the company's operations and financing.

MANAGEMENT'S REVIEW

Foreign exchange risk
Foreign exchange risk occurs both as a result of imbalance between income and expenses in each foreign currency and because the company has net assets in a number of foreign subsidiaries. Subsidiaries outside Denmark mainly do business in local currencies, both internally within the Group and with external partners.

Interest rate risk
Interest rate risk occurs as a consequence of imbalance between interest-bearing assets and liabilities, and changes in the interest rate influence both the balance sheet and the income statement.

Credit risk
The company's credit risk primarily relates to receivables, securities, cash and cash equivalents, and positive fair values of derivative financial instruments. The balance sheet valuation of all the items mentioned corresponds to the size of the maximum credit risk. The company has historically not experienced any material loss on receivables, as most customers are public hospitals or laboratories.

Counterparty risks concerning cash and cash equivalents and financial instruments are managed by only entering into agreements with financial institutions which have achieved a satisfactory rating from recognized international credit-rating institutions.

Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Corporate Social Responsibility
As part of Agilent Technologies, Dako is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. This commitment is consistent with Agilent's corporate objectives and is essential for the company's continued business success.

Environmental responsibility
Dako finds it very important to be in compliance with or exceed applicable environmental regulations of the countries and local communities in which Dako operates. Acting in a responsible manner is essential, and Dako acknowledges that environmental sustainability goes hand-in-hand with an efficient use of resources, which is why Dako strives to reduce the use of energy, water and raw materials and the production emission and waste. Dako systematically considers environmental aspects when remodeling any of its sites, in particular with respect to initiatives that can reduce energy consumption.

Social responsibility
Looking at the social area, Dako constantly focuses on the actual situation and on actual occurrences in the outside world, where Dako can contribute to the society by acting actively. The results achieved are typically non-measurable for Dako. Internally, Dako cares about the work environment for its employees and ensures that the work conditions are continuously optimized, especially in the manufacturing facilities.

The company's foreign branches
The company's activitites include a branch in Norway which is consolidated in the Finansial Statements as the branch is part of the legal entity, Dako Denmark A/S.

MANAGEMENT'S REVIEW

Target figures and policies for the underrepresented gender
The Board has a total strength of three members out of which one is female, hence a female participation of 33%.

It is Dako's position that a diverse organization is value-adding and contributes to the achievement of Dako's business goals. It is therefore Dako's policy to encourage a balanced gender distribution at all management levels by:

- Securing that filling of all management positions, whether facilitated by HR or external consultants, is done by assessment of the collective skill set of each candidate independent of gender.

- Requiring that external search consultants engaged for recruitment for management positions propose a reasonable number of candidates of each gender.

- Having succession planning practices in place requiring managers to identify a gender-diverse range of potential successors for critical management positions.

- Requiring managers to discuss with qualified subordinates of the under-represented gender as part of their recurrent performance review how and if advancement to a (higher) management position could be relevant and what potentially would be required.

- Regularly obtaining qualitative data regarding the background for the gender distribution at various management levels both from a potential candidate perspective and from an employer perspective.

ACCOUNTING POLICIES

The annual report of Dako Denmark A/S for 2015/16 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting large class C.

The Annual Report is prepared consistently with the accounting principles used last year.

Sammenligningstal
As a result of the restructuring described in the management's review, the figures for the present year and for last year in the income statement, balance sheet and notes are not comparable.

General about recognition and measurement
Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow from the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

Derivative financial instruments
Derivative financial instruments are the first time recognized in the balance sheet at cost price and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other liabilities", respectively.

Change in the fair value of derivative financial instruments are recognized in the profit and loss account unless the derivative financial instruments is designated and qualifiy as hedge accounting.

Segment reporting
Dako Denmark A/S is an established Company in a leading position in the pathology segment of the in vitro diagnostics industry (IVD). The geographical distribution is shown for the net revenue. The revenue distribution is based on the external customer's geographical location.

Consolidated financial statements
Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Agilent Technologies Inc., at 5301 Stevens Creek Boulevard, Santa Clara, CA 95051.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue
The net revenue from sale of merchandise and finished goods is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year. Net revenues is recognised exclusive of VAT, duties and less discounts related to the sale.

Costs of sales
Cost of sales comprises costs, including wages and salaries and write-off, incurred to achieve the net revenue for the year. Commercial enterprises recognise cost of sales, and the manufacturing enterprises recognise production costs equal to the revenue for the year, including direct and indirect costs of raw materials and consumables, wages and salaries, rent and leasing and depreciation of production plant.

Research and development expenses
Research and developments expenses include research costs attributable to the Company's research and development function, including wages and salaries and maintenance of patens, amortisation and other indirect costs.

Research costs are recognised in the income statement as the costs incur.

Development projects in clearly defined and identifiable products and processes for which the technical rate og utilisation. adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets if there is a correlation between the costs incurred and future earnings. If not, development costs are recognised as costs in the income statement as incurred. In case og uncertainty in connection with the development of the new products, an assessment is made as to whether the capitalisation has not been fulfilled.

Public grants for research and development cost, which are recognised directly in the income statement, are recognised under Cost of sales and development expenses in such a way that they correspond to the costs for which they compensate. Grants awarded for acquisition of assets and development assests, which are recognised in the balance sheet, are set off against for which the grants are provided.

Distribution costs
Distribution costs recognise costs incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Distribution costs also recognise costs of the sales personnel, advertising and exhibition costs. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding Management and administration of the group, inclusive of costs relating to the administrative staff, executives, office premises, office expenses etc. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

Other operating income and expenses
Other operating income and expenses include items of secondary nature in relation to the enterprises' principal activities.

Income from investments
Dividend from subsidiaries is recognised in the financial year when the dividend is declared.

ACCOUNTING POLICIES

Financial income and expenses in general
Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity.

The company is jointly taxed with wholly owned Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

BALANCE SHEET

Intangible fixed assets

Goodwill
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life, which is estimated to 5 years.

Development projects, patens and licenses
Development projects, patents and licenses comprise development projects completed and in progress together with acquired patens and licenses.

Development projects on clearly and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established. and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

In connection with measurement of software developed for internal use, external costs for consultants and software as well as internal direct and indirect costs related to the development phase are capitalised recognised. Intemal development of software and developments costs related to IT projects for internal use are capitalised under completed development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is a maximum of ten years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Acquired patents, licenses, etc. are measured at cost less accumulated amortisation. The rights are amortised on a straight-line basis using the estimate useful lives. The amortisation period is five years, however not more than the remaining duration of the relevant rights.

Acquired patents, licenses. etc. are written down to the lower of recoverable amount and carrying amount.

ACCOUNTING POLICIES

Tangible fixed assets
Buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-downs.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life	Residual value
Buildings	40 years	5 %
Plant and machinery	10 years	0 %
Other fixtures and fittings, tools and equipment	7 years	0 %

Assets costing less than DKK 50,000 are expensed in the year of aquisition.

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

Fixed asset investments
Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and Management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

The inventory of rabbits, goats and pigs has not been recognised as assets, as it is not possible to make measurement of cost.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Dividend
The expected payment of dividend for the year is recognised as a separate item under the equity capital.

Other provisions for liabilities
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions comprise anticipated costs of non-recourse guarantee commitments, decided and published restructuring and contigent obligations in connection with acquisition of subsidiary, etc.

Provision are recognised and measured as the hest estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance date are measured at their discounted value.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax unit.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated using "Average monthly rate" for the month in which the transaction is recorded. This average rate is derived from and closely represents the actual exchange rates in force during that month. Exchange differences arising between the "Average monthly rate" and the rate on the payment date are recognized in the Income Statement as financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

Fixed Assets acquired in foreign currencies are translated using "Average monthly rate" as described above for the month in which the transaction is recorded.

CASH FLOW STATEMENT

In accordance with section 86(4) of the Danish Financial Statements Act no cash flow statement has been prepared. The cash flow statement for Dako Denmark A/S incorporated in the cash flow statement of the consolidated Financial Statements of Agilent Technologies Inc., at 5301 Stevens Creek Boulevard, Santa Clara, CA 95051.

KEY FIGURES

The key figures are prepared in accordance with the guidance of Den Danske Finansanalytikerforening on "Recommendation & Key Figures". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual key figures.

Solvency ratio:

$$\frac{\text{Equity, end of period} \times 100}{\text{Total liabilities, end of period}}$$

Return on equity:

$$\frac{\text{Profit after tax} \times 100}{\text{Avg. equity}}$$

INCOME STATEMENT 1 NOVEMBER - 31 OCTOBER

	Note	2015/16 DKK '000	2014/15 DKK '000
NET REVENUE	1	**1.727.948**	**1.601.475**
Cost of sales		-818.188	-801.540
GROSS PROFIT		**909.760**	**799.935**
Research and development expences		-533.768	-491.438
Distribution costs		-85.457	-188.471
Administrative expenses		-223.587	-108.700
OPERATING PROFIT		**66.948**	**11.326**
Other operating income		4.683	25
Other operating expenses		-1.953	0
Operating profit		**69.678**	**11.351**
Result of equity investments in group and associat	2	84.281	37.873
Financial income	3	9.616	4.556
Financial expenses	4	-18.956	-27.962
Profit before tax		**144.619**	**25.818**
Tax on profit/loss for the year	5	-15.693	-15.869
PROFIT FOR THE YEAR		**128.926**	**9.949**

PROPOSED DISTRIBUTION OF PROFIT

Accumulated profit		128.926	9.949
TOTAL		**128.926**	**9.949**

BALANCE SHEET AT 31 OCTOBER

ASSETS	Note	2016 DKK '000	2015 DKK '000
Development projects completed		182.554	241.270
Intangible fixed assets acquired		1	444
Goodwill		12.265	22.778
Intangible fixed assets	6	**194.820**	**264.492**
Land and buildings		321.499	336.326
Production plants and machinery		49.662	56.837
Other plants, machinery, tools and equipment		5.321	10.529
Tangible fixed assets in progress and prepayment		23.518	8.583
Tangible fixed assets	7	**400.000**	**412.275**
Investments in subsidiaries		249.739	63.764
Receivables from group enterprises		534.414	650.747
Rent deposit and other receivables		4.965	5.522
Fixed asset investments	8	**789.118**	**720.033**
FIXED ASSETS		**1.383.938**	**1.396.800**
Raw materials and consumables		231.143	162.296
Work in progress		24.694	24.315
Finished goods and goods for resale		148.554	235.275
Inventory		**404.391**	**421.886**
Trade receivables		2.347	174.959
Receivables from group enterprises		46.012	112.181
Other receivables		17.490	5.245
Prepayments and accrued income	9	9.596	7.501
Accounts receivable		**75.445**	**299.886**
Cash and cash equivalents		**221.809**	**487.865**
CURRENT ASSETS		**701.645**	**1.209.637**
ASSETS		**2.085.583**	**2.606.437**

BALANCE SHEET AT 31 OCTOBER

EQUITY AND LIABILITIES	Note	2016 DKK '000	2015 DKK '000
Share capital		61.682	61.682
Retained profit		958.238	986.382
EQUITY	10	**1.019.920**	**1.048.064**
Provision for deferred tax	11	72.722	72.340
Other provisions for liabilities		0	2.938
PROVISION FOR LIABILITIES		**72.722**	**75.278**
Other bank debt		0	251.889
Payables to group enterprises		700.448	845.725
Other liabilities		4.965	5.522
Long-term liabilities	12	**705.413**	**1.103.136**
Trade payables		60.509	70.075
Payables to group enterprises		118.948	167.039
Corporation tax		9.971	5.140
Other liabilities		97.050	126.270
Accruals and deferred income	13	1.050	11.435
Current liabilities		**287.528**	**379.959**
LIABILITIES		**992.941**	**1.483.095**
EQUITY AND LIABILITIES		**2.085.583**	**2.606.437**

Contingencies etc.	14
Charges and securities	15
Related parties	16
Fee to auditors appointed by the General Meeting	17
Staff costs	18

NOTES

Note

Net revenue 1

Geographical segments

EMEA	1.287.436	999.171	
Americas	341.111	365.006	
APAC	99.401	237.298	
	1.727.948	**1.601.475**	

Business segments

Pathology	1.589.315	1.324.037
Reagent Partnership	138.633	277.438
	1.727.948	**1.601.475**

The business segments in the company are controlled by revenue per product group and by three regions: EMEA (Europe, Middle East and Africa, Africa), Americas (North and South America) and APAC (Asian Pacific).

Result of equity investments in group and associat 2

Result from sale of investments	162.868	103.698
Cost relating to sale of investments	-78.587	-44.243
	84.281	**59.455**

Financial income 3

Group enterprises	8.720	3.813
Other interest income	896	743
	9.616	**4.556**

Financial expenses 4

Group enterprises	5.760	13.009
Other interest expenses	13.195	14.953
	18.955	**27.962**

Tax on profit/loss for the year 5

Calculated tax on taxable income of the year	12.945	5.636
Adjustment of tax for previous years	0	-249
Adjustment of deferred tax	2.748	-8.126
Adjustment of deferred tax for previous years	0	18.608
	15.693	**15.869**

NOTES

Note

Intangible fixed assets 6

	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 November 2015	571.248	206.562	52.565
Transfers to/from other items	0	356	0
Disposal	-34.251	-134.430	0
Cost at 31 October 2016	**536.997**	**72.488**	**52.565**
Amortisation at 1 November 2015	329.978	206.117	29.787
Reversal of depreciation of assets disposed of	-34.251	-134.430	0
Depreciation	58.716	800	10.513
Depreciation at 31 October 2016	**354.443**	**72.487**	**40.300**
Carrying amount at 31 October 2016	**182.554**	**1**	**12.265**

Tangible fixed assets 7

	Land and buildings	Production plants and machinery
Cost at 1 November 2015	544.313	149.688
Disposal from demerger	0	-2.929
Additions transfered from assets under construction	1.972	4.385
Addition	78	4.603
Disposal	-3.641	-1.171
Cost at 31 October 2016	**542.722**	**154.576**
Depreciation and write-down at 1 November 2015	207.986	92.851
Depreciation on disposals	-3.599	-1.226
Depreciation	16.836	13.289
Depreciation and write-down at 31 October 2016	**221.223**	**104.914**
Carrying amount at 31 October 2016	**321.499**	**49.662**

	Other plants, machinery, tools and equipment	Tangible fixed assets in progress and prepayment
Cost at 1 November 2015	52.243	8.583
Disposal from demerger	-9.081	0
Additions transfered from assets under construction	1.704	-8.061
Transfers to/from other items	-356	0
Addition	1.046	23.121
Disposal	-3.908	-125
Cost at 31 October 2016	**41.648**	**23.518**
Depreciation and write-down at 1 November 2015	41.713	
Depreciation reversed on disposals	-9.861	
Depreciation	4.475	
Depreciation and write-down at 31 October 2016	**36.327**	
Carrying amount at 31 October 2016	**5.321**	**23.518**

NOTES

Note

Fixed asset investments 8

	Investments in subsidiaries	Receivables from group enterprises	Rent deposit and other receivables
Cost at 1 November 2015	490.742	650.747	5.522
Addition	231.595	0	0
Disposal	-125.282	-116.333	-557
Cost at 31 October 2016	**597.055**	**534.414**	**4.965**
Revaluation at 1 November 2015	-426.993	0	
Revaluation and write-down for the year	79.677	0	
Revaluation at 31 October 2016	**-347.316**	**0**	
Carrying amount at 31 October 2016	**249.739**	**534.414**	**4.965**

Investments in subsidiaries

Company	Equity	Profit for the year (before taxes)	Ownership
DAKO North America Inc	517.362.100	68.394.988	100 %
DAKO Holding USA Inc	35.053.726	0	100 %
BPI Holding Inc	145.366.575	17.114.966	100 %
DAKO Japan Inc	83.364.848	12.525.360	100 %
DAKO Polska Sp.z.o.o	1.855.039	223.621	100 %
DAKO Instrumec AS	5.216.528	1.501.221	100 %
DAKO Denmark UK Aps	17.046.143	624.337	100 %
DAKO Denmark Belgium Aps	2.859.453	95.441	100 %
DAKO Denmark Brazil Aps	1.065.372	-21.893	100 %
DAKO Denmark Canada Aps	37.476.374	-1.899.747	100 %
DAKO Denmark Canada Inc	38.871.135	-1.391	100 %
DAKO Denmark China Aps	50.498.194	-2.925.034	100 %
DAKO Denmark France Aps	14.589.326	-109.846	100 %
DAKO Denmark Germany Aps	52.011.921	1.927.902	100 %
DAKO Denmark Korea Aps	13.511.951	2.969.751	100 %
DAKO Denmark Netherlands Aps	20.522.137	753.927	100 %
Agilent DGG Norge	24.601	0	100 %
Dako Logistics Company Aps	50.000	0	100 %

All foreign subsidiaries are recognised and measured as separate entities. Equity and result of investments in susidiaries are based on locally presented annual reports for 2016 and is translated to DKK at year-end. If a subsidiary has not presented an annual report as the subsidiary is not subject to local satutory requirements in relation to this, equity and result have not been keyed-in above.

Prepayments and accrued income 9

The item constitues prepaid cost pertaining to the following fiscal year.

NOTES

Note

Equity 10

	Share capital	Retained profit	Total
Equity at 1 November 2015	61.682	986.382	1.048.064
Additions/disposals relating to equity by mergers and acquisitions		-157.070	-157.070
Proposed distribution of profit		128.926	128.926
Equity at 31 October 2016	**61.682**	**958.238**	**1.019.920**

The share capital has not been changed in the past 5 years.

Share capital
Share capital:

A-aktier, 61.682 stk. a nom. 1.000 kr.	61.682	61.682
	61.682	**61.682**

Provision for deferred tax 11

Provision for deferred tax relates to differences between the carrying amount and the tax value of securities, accounts receivable, intangible fixed assets and tangible fixed assets, including recognised finance leases.

The amount breaks down as follows:

	Carrying Value	Tax Value	Tax depre. or amort. above carrying value
Intangible assets	194.820	22.521	172.299
Property, plant & equipment	376.482	330.637	45.845
Inventories	117.645	0	117.645
Debts	-5.235	0	-5.235
	683.712	**353.158**	**330.554**
Udskudt skat			**72.722**

Long-term liabilities 12

	1/11 2015 total liabilities	31/10 2016 total liabilities	Repayment next year	Debt outstanding after 5 years
Other bank debt	251.889	0	0	0
Payables to group enterprises	845.725	700.448	0	0
Other liabilities	5.522	4.965	0	0
	1.103.136	**705.413**	**0**	**0**

NOTES

Note

Accruals and deferred income 13
The item constitues deferred revenue pertaining to the following fiscal year.

Contingencies etc. 14
Contractual obligations
The Company has entered into contractual agreements includlng service agreements, minimum purchase agreements, etc. Total unrecognised commitments as per the balance sheet date amount to DKK 4,8 million.

Joint liabilities
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.
Tax payable of the group's jointly taxed income is stated in the annual report of company Agilent Technologies Denmark ApS, which serves as management company for the joint taxation.

Charges and securities 15
Bank securities amounting to a total of DKK ('000) 590 was given at year-end.

Related parties 16
Dako A/S, Parent company
Agilent Technologies Inc., Ultimative parent company

Ownership
The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Dako A/S, Produktionsvej 42, 2600 Glostrup

Consolidated Financial Statements
The company is included in the Group Annual Report of Agilent Technologies, Inc.

The Group Annual Report may be obtained at the following address:

5301 Stevens Creek Boulevard
Santa Clara, CA 95051

NOTES

	2015/16 DKK '000	2014/15 DKK '000	Note
Fee to auditors appointed by the General Meeting			17
Statutory audit	689	755	
Tax consultancy	60	50	
Other services	578	137	
	1.327	**942**	
Staff costs			18
Average number of employees	639	696	
Wages and salaries	344.520	412.267	
Pensions	31.488	47.858	
Social security costs	6.766	5.959	
Other staff costs	3.804	2.082	
	386.578	**468.166**	

I henhold til Årsregnskabslovens § 98b stk. 3 , er vederlaget til direktionen udeladt.
Accordance to section 98 b (3) of the Danish Financial Statemetns Act, renumeration to the Executive Board has not been disclosed.