

DANRAD APS
ÅKANDEVEJ 21, 2700 BRØNSHØJ
ANNUAL REPORT
1. JANUAR - 31. DECEMBER 2016

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

Anders Birkebæk Clausen

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COMPANY DETAILS

Company

DANRAD ApS
Åkandevej 21
2700 Brønshøj

CVR no.: 33 24 10 89
Established: 1 October 2010
Registered Office: Brønshøj
Financial Year: 1 January - 31 December

Board of Executives

Frank T. McFaden
Claus Lønborg Madsen
Vibeke Holst-Andersen

Auditor

Ernst & Young Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4
2000 Frederiksberg

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of DANRAD ApS for the year 1 January - 31 December 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 the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Copenhagen, 31 May 2017

Board of Executives

Frank T. McFaden

Claus Lønborg Madsen

Vibeke Holst-Andersen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of DANRAD ApS

Opinion

We have audited the financial statements of DANRAD ApS for the financial year 1 January - 31 December 2016, 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's review

Management is responsible for Management's review.

Our opinion on the financial statements does not cover Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's review and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 31 May 2017

Ernst & Young Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Henrik Kronborg Iversen
State Authorised Public Accountant

Rasmus Bloch Jespersen
State Authorised Public Accountant

FINANCIAL HIGHLIGHTS

	2016	2015	2014	2013	2012
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	35.639	33.329	35.217	34.825	34.064
Operating profit/loss.....	11.252	9.663	16.227	10.351	12.716
Financial income and expenses, net.....	271.780	294.577	581.205	362.295	412.416
Profit/loss for the year before tax.....	1.207.277	304.240	597.432	372.646	425.132
Profit/loss for the year.....	1.143.085	219.228	519.931	376.671	317.632
Dividend received.....	924.245	0	0	0	0
Balance sheet					
Balance sheet total.....	23.933.465	23.655.555	13.566.400	12.532.902	9.995.747
Equity.....	23.036.639	22.749.233	9.256.157	8.736.226	8.359.555
Investment in tangible fixed assets.....	1.486	17.156	2.132	13.441	2.161
Ratios					
Profit margin.....	31,6	29,0	46,1	29,7	37,3
Solvency ratio.....	96,3	96,2	68,2	69,7	83,6
Return on equity.....	5,0	1,4	5,8	4,4	4,1

The ratios stated in the list of key figures and ratios have been calculated as follows:

Profit margin:

$$\frac{\text{Operating profit / loss} \times 100}{\text{Net revenue}}$$

Solvency ratio:

$$\frac{\text{Equity, at year end} \times 100}{\text{Total equity and liabilities, at year end}}$$

Return on equity:

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

The key figures are prepared in accordance with the guidance of The Danish Finance Society (Den danske Finansanalytikerforening) on "Recommendation & Key Figures 2015". Reference is made to survey of principal figures and key figures concerning the formula for calculation of individual figures.

MANAGEMENT'S REVIEW

Principal activities

The objectives of the company are to carry on commercial and manufacturing business as well as financing and investment.

Specifically the company holds investments in group enterprises and other securities, and manages leases of properties.

Development in activities and financial position

The company's income statement for the year ended 31 December 2016 shows a net profit of DKK 1.143.085 thousand, and the balance sheet at 31 December 2016 shows equity of DKK 23.036.639 thousand.

In the income year 2016 the company received a dividend in kind of DKK 924,245 thousand, comprising shares of Unfors Raysafe AB from its subsidiary, DH Denmark-EURO ApS. Subsequently the shares of Unfors Raysafe AB was distributed from DANRAD ApS to DH Medical Holding ApS, and ultimately DH Denmark Holding ApS as dividend in kind.

In the annual report 2015 management expressed expected earnings before tax and any dividend income from investments for 2016, at the same level as in 2015 (profit of DKK 304,240 thousand). The realised profit before any dividend income from investments for 2016, was in line with 2015 expressed expectations.

The Executive Board recommends distribution of the loss as stated under distribution of profit.

Significant events after the end of the financial year

No events of material importance for the company's financial position have occurred after the end of the financial year.

Special risks

The company monitors the risk factors that may affect the operations and financial results on a regular basis.

Currency risks

The Company's net payments in foreign currencies are usually sold immediately after receipt. There is no hedging of currency risk on foreign currency assets and liabilities.

Interest rate risk

The interest rate on its loans is on market terms and conditions.

Future expectations

The company expects earnings for 2017 before any dividend income from investments, at the same level as for 2016 (+/- 10% depending on the interest level).

Corporate social responsibility

As the company is a holding company without significant operating activities, policies involving environmental, climate and human rights etc. are not prepared.

Target figures and policies for the underrepresented gender

The company is against the use of hiring quotas in the organization and believes that professional qualifications should always come before gender and other aspects of identity such as nationality and age. Our Board of Executives strives to be diverse in gender as well as profile. Currently, the board, consists of 3 members, following the Danish Business Authorities' guidance for equal distribution of women and men (33 % women and 67 % men)

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK '000	2015 DKK '000
NET REVENUE	1, 2	35.639	33.329
Depreciation.....		-20.196	-19.210
Other external expenses.....		-4.191	-4.456
OPERATING PROFIT		11.252	9.663
Dividend income from investments in group enterprises.....		924.245	0
Other financial income.....	3	280.690	331.550
Other financial expenses.....	4	-8.910	-36.973
PROFIT BEFORE TAX		1.207.277	304.240
Tax on profit/loss for the year.....	5	-64.192	-85.012
PROFIT FOR THE YEAR	6	1.143.085	219.228

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016	2015
		DKK '000	DKK '000
Land and buildings		332.143	351.225
Tangible fixed assets in progress		372	0
Tangible fixed assets	7	332.515	351.225
Investments in group enterprises		14.415.344	14.415.344
Other securities		1.986.588	1.986.588
Receivables from group enterprises		6.306.290	6.088.052
Fixed asset investments	8	22.708.222	22.489.984
FIXED ASSETS		23.040.737	22.841.209
Receivables from group enterprises		892.656	812.093
Other receivables		72	2.253
Receivables		892.728	814.346
CURRENT ASSETS		892.728	814.346
ASSETS		23.933.465	23.655.555

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK '000	2015 DKK '000
Share capital.....		100.000	100.000
Retained profit.....		22.936.639	21.724.988
Proposed dividend.....		0	924.245
EQUITY.....		23.036.639	22.749.233
Provision for deferred tax.....	9	454.265	629.803
PROVISION FOR LIABILITIES.....		454.265	629.803
Trade payables.....		27	216
Payables to group enterprises.....		183.109	16.853
Corporation tax.....		239.734	242.816
Other liabilities.....		19.691	16.634
Current liabilities.....		442.561	276.519
LIABILITIES.....		442.561	276.519
EQUITY AND LIABILITIES.....		23.933.465	23.655.555
Contingencies etc.	10		
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EQUITY

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2016.....	100.000	22.244.900	924.245	23.269.145
Effect of change in accounting policy for other investments.....		-519.912		-519.912
Adjusted equity at 1 January 2016.....	100.000	21.724.988	924.245	22.749.233
Capital contribution.....		68.566		68.566
Dividend paid.....			-924.245	-924.245
Proposed distribution of profit.....		1.143.085		1.143.085
Equity at 31 December 2016.....	100.000	22.936.639	0	23.036.639

Changes in share capital in the latest 5 years

	2016	2015	2014	2013	2012
Balance at 1 January.....	100.000	100.000	100.000	100.000	100.000
Balance at 31 December	100.000	100.000	100.000	100.000	100.000

NOTES

	2016 DKK '000	2015 DKK '000	Note
Fee to statutory auditors			1
Total fee			
Ernst & Young.....	20	20	
	20	20	
Specifikation of audit fee:			
Statutory audit.....	20	20	
	20	20	
Segment information			2
The company has only one operational geographical segment concerning property rental income in Denmark.			
Other financial income			3
Interest, group enterprises.....	280.690	331.243	
Other interest income.....	0	307	
	280.690	331.550	
Other financial expenses			4
Interest, group enterprises.....	166	25.400	
Other interest expenses.....	8.744	11.573	
	8.910	36.973	
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year.....	239.734	242.815	
Adjustment of tax for previous years.....	-4	0	
Adjustment of deferred tax.....	-175.538	-157.803	
	64.192	85.012	
PROPOSED DISTRIBUTION OF PROFIT			6
Proposed dividend for the year.....	0	924.245	
Accumulated profit.....	1.143.085	-705.017	
	1.143.085	219.228	

NOTES

	Note
Tangible fixed assets	7

	Land and buildings	Tangible fixed assets in progress
Cost at 1 January 2016	440.391	0
Additions.....	1.114	372
Cost at 31 December 2016	441.505	372
Depreciation and write-down at 1 January 2016.....	89.166	
Depreciation for the year	20.196	
Depreciation and write-down at 31 December 2016	109.362	
Carrying amount at 31 December 2016	332.143	372

Fixed asset investments	8
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	Investments in group enterprises	Other securities	Receivables from group enterprises
Cost at 1 January 2016	14.415.344	1.986.588	6.025.841
Addition, received dividend in kind.....	924.245	0	0
Disposal, distribution of dividend in kind.....	-924.245	0	0
Additions, interest.....	0	0	280.449
Cost at 31 December 2016	14.415.344	1.986.588	6.306.290
Carrying amount at 31 December 2016	14.415.344	1.986.588	6.306.290

Impairment test

Management has prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2016.

The impairment method used is based on Danaher's standard internal valuation methodology. This method is based on the financial reporting as of 31 December 2016, and representative EBITDA multiplied by an assessed multiplier based on a peer-group analysis, adjusted for control premiums if applicable and non-operating assets/liabilities. The impairment test did not result in need for impairment.

Dividend in kind

On 17 May 2016, the Company received a dividend in kind comprising the shares of Unfors Raysafe AB from its subsidiary, DH Denmark-EURO ApS. The shares were distributed to the company at value of DKK 924,245 thousand.

Subsequently, at the general meetings of shareholders at 17 May 2016 the executive board decided to distribute the shares of Unfors Raysafe AB, to the shareholders of DANRAD ApS, and ultimately DH Denmark Holding ApS, as dividend in kind.

NOTES

Note

Investments in group enterprises

Name and registered office	Equity	Profit/loss for the year	Ownership
DH Denmark EUR ApS, Denmark, T.EUR (2016)..	216.716	122.356	100 %
Radcue Holding AB, Sweden, T.SEK (2015).....	2.445.566	311.642	100 %
Hemocue AB, Sweden, T.SEK (2016).....	274.017	88.494	100 %
Hemocue Oy, Finland, T.EUR (2015).....	193	58	100 %
Hemocue South Africa Pty., South Africa, T.RAND (2015).....	37.659	2.040	100 %
DH Medical Holding AB, Sweden, T.SEK (2015)..	13.768.668	-284	100 %
DHRAD ApS, Denmark, T.DKK (2016).....	2.809.509	71.474	100 %
Radiometer Medical ApS, Denmark, T.DKK (2015).....	10.437.627	555.452	100 %
Danaher Medical ApS, Denmark, T.DKK (2016).....	2.328.113	28.812	100 %
AB Sciex ApS, Denmark, T.DKK (2015).....	4.106	285	100 %
Phenomenex ApS, Denmark, T.DKK (2016)..	22.858	3.518	100 %
DH Netherlands BV, Netherland, T.EUR (2015).....	59.679	-125	81,6 %
DH Rus Service LLC, Netherland, T.RUB (2015).....	15.189	2.500	100 %
DHR MEA General Trading LLC, United Arab Emirates, *).....	-	-	49 %
J.S.C. Videojet Technologies, Rusia, T.HRK (2016).....	504	206	100 %
Radiometer d.o.o., , Croatia, T.HRK (32016).....	708	-292	100 %
Radiometer Kazakhstan LLP, Kazakhstan, T.KZT (2015).....	-18.963	-66.463	100 %
Radiometer Magyarorszag Korlatolt Felelossegu Tarsasag, Hungary, T.HUF (2015)...	639.798	37.538	100 %

*) The first reporting year for DHR MEA General Trading LLC is 2016. The financial statement 2016 is not prepared and signed.

NOTES

	Note
Provision for deferred tax	9

Provision for deferred tax is specified below.

	2016	2015
	DKK '000	DKK '000
Deferred tax concerns:		
Land and buildings.....	69.948	74.406
Receivables from group enterprises (deferred taxation, gain on asset sale).....	384.317	555.397
	454.265	629.803
Deferred tax 1 January 2016.....	629.803	787.606
Adjustment during the year.....	-175.538	-157.803
Provision for deferred tax 31 December 2016.....	454.265	629.803

Contingencies etc.	10
Joint taxation	

The company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationselskab) for the Danish joint taxation. The company is jointly and severally unlimited liable with the other jointly taxed companies for payment of corporation tax for the income year 2013 and later, and for withholding tax on interest, royalties and dividends, which are payable on 1 July 2012 or later.

At 31 December 2016, the jointly taxed companies' net liability to SKAT is disclosed in the annual report for Danaher Tax Administration ApS, registration number - 28 31 68 87. Any subsequent assessments of the taxable income subject to joint taxation or withholding taxes on dividends, interest and royalties may entail that the Company's liability will increase.

Other contingencies

The company has no other contingent assets or liabilities.

NOTES

Note

Related parties

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Related parties having performed transactions with the company

The company's related parties comprise the significant shareholders of the Company and their subsidiaries, Board of Executives and their close relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The related parties transactions for 2016 are shown below. All amounts in T.DKK.

	Parent company	Group enterprises	Total
Transactions			
Rent income		35.639	35.639
Administration, cost		81	81
Interest received		280.690	280.690
Interest paid		165	165
Dividend paid	924.245		924.245
Dividend received		924.245	924.245
Capital contribution, Received	68.566		68.566
Balances per 31.12.16			
Loans, receivable		7.180.835	7.180.835
Cash pool		18.110	18.110
Tax payable to group enterprises		183.109	183.109
Deposit		17.583	17.583

Consolidated financial statements

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The ultimate parent of the group is:

Danaher Corporation
2200 Pennsylvania Avenue, NW
Suite 800W
Washington, DC 20037
USA

The consolidated financial statement for the Danaher group and can be acquired at the following link:

<https://www.sec.gov/Archives/edgar/data/313616/000031361617000066/dhr-20161231x10xk.htm>

ACCOUNTING POLICIES

The annual report of DANRAD ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

Reclassification changes have been made in the financial statements regarding classification of intercompany debt and the comparative figures have been restated to reflect the classification change. In the balance sheet, receivable from group enterprises of DKK 812,093 thousand at 31 December 2015, previously incorrectly presented as fixed asset investment, have been reclassified to "Receivable from group enterprises" under current assets. The reclassification change has not affected the results of operations or equity.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

1. Dividend from investments in subsidiaries
2. Yearly reassessment of residual values of property, plant and equipment
3. Measurement of investments in other securities

Re 1: Dividend from investments in subsidiaries must always be recognised in the income statement going forward. If the carrying amount of the net assets of subsidiaries exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be indication of impairment, meaning that an impairment test must be conducted. Previously, dividend exceeding the subsidiary's accumulated earnings would be set off against cost.

Re 2: In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

Re 3: Measurement of investments in other securities

In prior years, investment in other securities has been measured in the Company's balance sheet at fair value and related fair value adjustments has been recognised in the income statement. Effective for the financial year 2016 other securities are measured at cost reduced by write-down to net realizable value if this is lower. The comparative figures have been changed accordingly.

The policy change has effected profit before tax and profit for the year 2015 negatively by DKK 273,055 thousand. The balance sheet total at 31 December 2015 has decreased by DKK 519,912 thousand, and equity at 1 January 2016 has decreased by DKK 519,912 thousand.

Due to amendments to the Danish Financial Statements Act, the Company has changed reporting class, from class B to class C (large), which has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Apart from the above and new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial statement Act, no consolidated financial statement are prepared. The financial statements for Danrad ApS and its group entities are part of the consolidated financial statements for Danaher Corporation, USA.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue

Revenue consists of lease income from operating leases of investment property and is recognized on a straight-line basis over the lease term in accordance with the contract.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other external expenses

Other external expenses include expenses related to administration, premises etc.

Investments in subsidiaries

Dividend from subsidiary and other securities is recognised in the income statement in the financial year when the dividend is declared.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. 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 may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The company is jointly taxed with affiliated Danish enterprises. The current Danish corporation tax is distributed between the jointly taxed Danish enterprises in proportion to their taxable income, and with full distribution with refund regarding taxable losses. The jointly taxed companies are included in the tax-on-account scheme.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives for the building are 50 years.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates. The residual values are reassessed annually.

Gains and losses on the disposal of items of tangible fixed assets are calculated as the difference between selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses respectively.

Fixed asset investments

Equity investments in subsidiaries and other securities are measured at cost. In case of indication of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Impairment of fixed assets

The carrying amount of tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

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

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and bank balances.

Balances in the group's cash pool scheme are not, due to the nature of the scheme, considered cash, but are recognised under "Receivable from group enterprises".

ACCOUNTING POLICIES

Equity

Dividend in kind are measured based on the fair value of the assets to be distributed at the time of distribution. Any difference between the carrying amount of the asset and the dividend payable (measured with reference to the fair value of the asset) is recognised in the income statement.

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 entity.

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.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables 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 receivables or payables is recognised in the income statement as financial income or expenses.

CASH FLOW STATEMENT

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the company, as its cash flows are reflected in the consolidated cash flow statement.