


DANRAD APS
ÅKANDEVEJ 21, 2700 BRØNSHØJ
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2017

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 9 May 2018**



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 2017.

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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

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

Copenhagen, 9 May 2018

Board of Executives

DocuSigned by:

Frank T. McFaden
739E8C5337A89200


Claus Lønborg Madsen


Yibeke 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 2017, which comprise income statement, balance sheet, statement of changes in equity and notes including 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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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.

INDEPENDENT AUDITOR'S REPORT

- 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.
- 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 conclusions are 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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 9 May 2018

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


Henrik Kronborg Iversen
State Authorised Public Accountant
MNE no.: mne24687


Rasmus Bloch Jespersen
State Authorised Public Accountant
MNE no.: mne35503

FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	35.944	35.639	33.329	35.217	34.825
Operating profit/loss.....	11.483	11.252	9.663	16.227	10.351
Other financial income and expenses, net.....	293.940	271.780	294.577	581.205	362.295
Profit/loss for the year before tax.....	305.423	1.207.277	304.240	597.432	372.646
Profit/loss for the year.....	262.860	1.143.085	219.228	519.931	376.671
Dividend received.....	0	924.245	0	0	0
Balance sheet					
Balance sheet total.....	24.512.314	23.933.465	23.655.555	13.566.400	12.532.902
Equity.....	23.299.498	23.036.639	22.749.233	9.256.157	8.736.226
Investment in tangible fixed assets.....	21.496	1.486	17.156	2.132	13.441
Ratios					
Profit margin.....	31,9	31,6	29,0	46,1	29,7
Solvency ratio.....	95,1	96,3	96,2	68,2	69,7
Return on equity.....	1,1	5,0	1,4	5,8	4,4

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

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:

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

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 2017 shows a net profit of DKK 262.860 thousand, and the balance sheet at 31 December 2017 shows equity of DKK 23.299.498 thousand.

In 2017, the Company sold 54.026 shares in Beckman Finance ApS to other group enterprises. The sales price of DKK 804.661 thousand was determined by use of Danaher's fair market value approach. A gain of DKK 120.454 thousand has been recognized in the income statement under other financial income. The gain has been determined based on the sale price subtracted the average purchase price of Beckman Finance ApS.

Further, the Company has increased its investments in its subsidiary, DH Denmark-EURO ApS, through a capital contribution of DKK 310.467 thousand paid in cash.

The Company also converted its loan receivable from Radiometer Tibbi Malzemeler Sanayi Ticaret Ltd Sti of DKK 12.325 thousand to equity against 274.145 new shares. Further, the Company acquired 18.294 shares in Sarbel Acquisition ApS. The purchase price of DKK 59.700 thousand was determined by use of Danaher's fair market value approach. Both the increased investment in Radiometer Tibbi Malzemeler Sanayi Ticaret Ltd Sti and Sarbel Acquisition ApS has increased the Company's investment in other securities.

In the annual report 2016 management expressed expected earnings before tax and any dividend income from investments for 2017, at the same level as in 2016 (DKK 283.332 thousand). The realised profit for 2017, was in comparison to the prior years expressed expectations, impacted by gain from sales of equity interest in other securities and increased financial expenses.

The Board of Executives recommends distribution of the profit as stated under distribution of profit.

Significant events after the end of the financial year

In 2018, the company has - as part of a group restructuring - acquired shares for DKK 7.145 million in group-, associated enterprises and other securities from its subsidiary DHRAD ApS. The acquisitions are financed via settlement of loan receivables from other group enterprises.

No other 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.

MANAGEMENT'S REVIEW

Future expectations

For 2018, the Company expects to realise an operating profit before any dividend income from investments and gain from sale of shares, at the same level as for 2017 (+/-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	2017 DKK '000	2016 DKK '000
NET REVENUE	1, 2	35.944	35.639
Depreciation.....		-20.136	-20.196
Other external expenses.....		-4.325	-4.191
OPERATING PROFIT		11.483	11.252
Dividend income from investments in group enterprises.....		0	924.245
Other financial income.....	3	325.676	280.690
Other financial expenses.....	4	-31.736	-8.910
PROFIT BEFORE TAX		305.423	1.207.277
Tax on profit/loss for the year.....	5	-42.563	-64.192
PROFIT FOR THE YEAR	6	262.860	1.143.085

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK '000	2016 DKK '000
Land and buildings		312.410	332.143
Tangible fixed assets in progress		21.496	372
Tangible fixed assets	7	333.906	332.515
Investments in group enterprises		14.725.811	14.415.344
Other securities		1.374.406	1.986.588
Receivables from group enterprises		0	1.886.643
Fixed asset investments	8	16.100.217	18.288.575
FIXED ASSETS		16.434.123	18.621.090
Receivables from group enterprises		8.075.019	5.312.303
Other receivables		3.172	72
Receivables		8.078.191	5.312.375
CURRENT ASSETS		8.078.191	5.312.375
ASSETS		24.512.314	23.933.465

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2017 DKK '000	2016 DKK '000
Share capital.....		100.000	100.000
Retained profit.....		23.199.498	22.936.639
EQUITY.....		23.299.498	23.036.639
Provision for deferred tax.....	9	65.685	454.265
PROVISION FOR LIABILITIES.....		65.685	454.265
Payables to group enterprises.....		50.148	0
Long-term liabilities.....	10	50.148	0
Trade payables.....		226	26
Payables to group enterprises.....		647.771	183.110
Corporation tax.....		431.104	239.734
Other liabilities.....		17.882	19.691
Current liabilities.....		1.096.983	442.561
LIABILITIES.....		1.147.131	442.561
EQUITY AND LIABILITIES.....		24.512.314	23.933.465
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EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2017.....	100.000	22.936.638	23.036.638
Proposed distribution of profit.....		262.860	262.860
Equity at 31 December 2017.....	100.000	23.199.498	23.299.498

Changes in share capital in the latest 5 years in DKK thousand

	2017	2016	2015	2014	2013
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

	2017 DKK '000	2016 DKK '000	Note
Fee to statutory auditors			1
Total fee			
Ernst & Young.....	30	20	
	30	20	
Specifikation of audit fee:			
Statutory audit.....	30	20	
	30	20	
Segment information			2
The company has only one operational geographical segment concerning property rental income in Denmark.			
Other financial income			3
Interest and other financial income from group enterprises.....	325.676	280.690	
	325.676	280.690	
Financial income from group enterprises comprise of gain from sale of shares in other securities of DKK 120.454 thousand (2016: DKK 0) and interest income from group enterprises of DKK 205.222 thousand (2016: DKK 280.690 thousand).			
Other financial expenses			4
Interest, group enterprises.....	23.349	166	
Other interest expenses.....	8.387	8.744	
	31.736	8.910	
Interest, group enterprises 2017 includes impairment of loan receivables of DKK 22.303 thousand.			
Tax on profit/loss for the year			5
Calculated tax on taxable income of the year.....	431.104	239.734	
Adjustment of tax for previous years.....	39	-4	
Adjustment of deferred tax.....	-388.580	-175.538	
	42.563	64.192	
PROPOSED DISTRIBUTION OF PROFIT			6
Retained profit.....	262.860	1.143.085	
	262.860	1.143.085	

NOTES

			Note
Tangible fixed assets			7
		Tangible fixed	
		Land and buildings	
		assets in progress	
Cost at 1 January 2017	441.505	372	
Additions.....	404	21.124	
Cost at 31 December 2017	441.909	21.496	
Depreciation and write-down at 1 January 2017.....	109.363		
Depreciation for the year	20.136		
Depreciation and write-down at 31 December 2017.....	129.499		
Carrying amount at 31 December 2017.....	312.410	21.496	
 Fixed asset investments			 8
	Investments in	Receivables from	
	group enterprises	Other securities	group enterprises
Cost at 1 January 2017	14.415.344	1.986.588	6.306.290
Additions.....	310.467	72.025	1.068.246
Disposals.....	0	-684.207	-7.374.536
Cost at 31 December 2017	14.725.811	1.374.406	0
Carrying amount at 31 December 2017.....	14.725.811	1.374.406	0

NOTES

Note

In 2017, the Company has increased its investments in its subsidiary, DH Denmark-EURO ApS, through a capital contribution of DKK 310.467 thousand paid in cash.

In 2017, the Company sold 54.026 shares in Beckman Finance ApS, classified as "other securities", to other group enterprises. The sales price of DKK 804.661 thousand was determined by use of Danaher's fair market value approach. A gain of DKK 120.454 thousand has been recognized in the income statement under other financial income. The gain has been determined based on the sale price subtracted the average purchase price of Beckman Finance ApS.

The Company also converted its loan receivable from Radiometer Tibbi Malzemeler Sanayi Ticaret Ltd Sti of DKK 12.325 thousand to equity against 274.145 new shares. Further, the Company acquired 18.294 shares in Sarbel Acquisition ApS. The purchase price of DKK 59.700 thousand was determined by use of Danaher's fair market value approach. Both the increased investment in Radiometer Tibbi Malzemeler Sanayi Ticaret Ltd Sti and Sarbel Acquisition ApS has increased the Company's investment in other securities.

Impairment test

Management has performed a review of impairment indicators and has - as applicable for investments, where impairment indicators are present - prepared an impairment test and thereby calculated the recoverable amount of the Company's investment in group enterprises at 31 December 2017.

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 2017, 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.

NOTES

Note

Investments in group enterprises

Name and registered office	Equity	Profit/loss for the year	Ownership
DH Denmark EUR ApS, Denmark, T.EUR (2017)..	295.361	36.920	100 %
Radcue Holding AB, Sweden, T.SEK (2016).....	2.132.370	197.289	100 %
Hemocue AB, Sweden, T.SEK (2016).....	274.017	88.494	100 %
Hemocue South Africa Pty., South Africa, T.RAND (2016).....	37.348	-231	100 %
DH Medical Holding AB, Sweden, T.SEK (2016)..	13.768.445	-223	100 %
DHRAD ApS, Denmark, T.DKK (2017).....	3.394.372	584.863	100 %
Radiometer Medical ApS, Denmark, T.DKK (2016).....	11.579.742	662.513	100 %
Danaher Medical ApS, Denmark T.DKK (2017).....	2.360.361	32.120	100 %
Radiometer Suzhou Co. Ltd., China *).....			100 %
AB Sciex ApS, Denmark, T.DKK (2016).....	4.588	482	100 %
Phenomenex ApS, Denmark, T.DKK (2016)..	22.858	3.518	100 %
DH Netherlands BV, Netherland, T.EUR (2016).....	137.734	-11.944	92,5 %
DH Rus Service LLC, Rusia, T.RUB (2017)....	12.806	-2.116	100 %
DHR MEA General Trading LLC, United Arab Emirates, T.AED (2016).....	336	-164	49 %
J.S.C. Videojet Technologies, Rusia, T.HRK (2017).....	841	148	100 %
Radiometer d.o.o., , Croatia, T.HRK (2016)	708	-292	100 %
Radiometer Kazakhstan LLP, Kazakhstan, T.KZT (2016).....	136.175	155.052	100 %
Radiometer Magyarorszag Korlatolt Felelossegu Tarsasag, Hungary, T.HUF (2016)...	682.931	43.133	100 %

*) The first reporting year for Radiometer Suzhou Co. Ltd. is 2017. The financial statement 2017 is not prepared and signed.

NOTES

	Note
Provision for deferred tax	9

Provision for deferred tax is specified below.

	2017 DKK '000	2016 DKK '000
Deferred tax concerns:		
Land and buildings	65.685	69.948
Receivables from group enterprises (deferred taxation, gain on asset sale).....	0	384.317
	65.685	454.265
Deferred tax 1 January 2017	454.265	629.803
Adjustment during the year.....	-388.580	-175.538
Provision for deferred tax 31 December 2017.....	65.685	454.265

Long-term liabilities				10
	1/1 2017 total liabilities	31/12 2017 total liabilities	Repayment next year	Debt outstanding after 5 years
Payables to group enterprises...	0	50.148	0	50.148
	0	50.148	0	50.148

Contingencies etc.	11
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Joint taxation

The company is jointly taxed with Danaher Tax Administration ApS, which is the management company (Administrationssselskab) 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 2017, 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 2017 are shown below. All amounts in T.DKK

Transactions	Other group enterprises	Subsidiaries	Total
Rental income		35.944	35.944
Administration cost		93	93
Interest income	173	205.049	205.222
Interest expense	23.201	148	23.349
Sale of shares in Beckman Finance ApS		804.661	804.661
Capital contribution to DH Denmark-EURO ApS		310.467	310.467
Purchase of shares in Sarbel Acquisition ApS	59.700		59.700
Conversion of loan receivable to Radiometer Tibbi malzemeler Sanayi Ve Ticaret Ltd. Sirketi	12.325		12.325
Impairment loan receivable	22.303		22.303
Settlement of loan receivable from Radiometer Medical ApS		1.859.840	1.859.840
Raising of loans	189.000	50.000	239.000
Addition to tangible fixed assets		26.910	26.910
Balances per 31.12.17			
IC loan, receivable	1.863.300	5.487.893	7.351.193
IC loan, payable	189.074	50.147	239.221
Cash Pool, deposit	723.826		723.826
Tax payable to group enterprises	431.787		431.787
Radiometer ApS, payable		26.910	26.910

Significant events after the end of the financial year

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In 2018, the company has - as part of a group restructuring - acquired shares for DKK 7.145 million in group-, associated enterprises and other securities from its subsidiary DHRAD ApS. The acquisitions are financed via settlement of loan receivables from other group enterprises.

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

NOTES

Note

Consolidated financial statements
The ultimate parent of the group is:

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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/313616/000031361618000038/dhr-20171231x10xk.htm>

ACCOUNTING POLICIES

The annual report of DANRAD ApS for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large enterprise.

The accounting policies are consistent with those of last year.

Consolidated financial statements

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

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 and other securities

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, exchange rate adjustments from 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.

Gains or losses on disposal of investments in group enterprises and other securities consist of the differences between the sales price and the carrying amount of the investment. The carrying amount is measured using the average cost price of the disposed shares, at the date of disposal. Gain or losses are recognised in the income statement as financial income or financial expenses.

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.

ACCOUNTING POLICIES

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" or "Payable to group enterprises" as applicable.

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 of the ultimate parent.