

AbbVie A/S

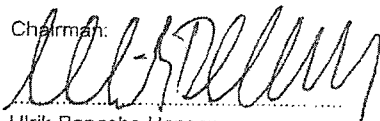
Emdrupvej 28C, 2100 København Ø

CVR no. 34 46 28 28

Annual report 2015

Approved at the Company's annual general meeting on 31 May 2016

Chairman:



Ulrik Bangsbo Hansen

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Statement by the Supervisory and Executive Boards

The Supervisory and Executive Boards have today discussed and approved the annual report of AbbVie A/S for the financial year 1 January – 31 December 2015.

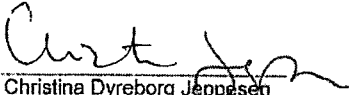
The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2015.


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.

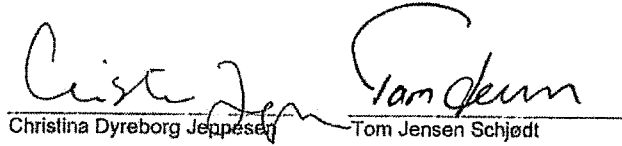
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 May 2016
Executive Board:


Christina Dyreborg Jeppesen
CEO

Supervisory Board:


Joseph William Chase
Chairman


Christina Dyreborg Jeppesen Tom Jensen Schjødt

Independent auditors' report

To the shareholders of AbbVie A/S

Independent auditors' report on the financial statements

We have audited the financial statements of AbbVie A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

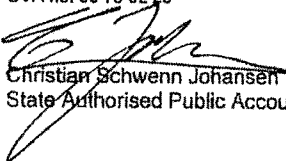
Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2015 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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 31 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Christian Schwenn Johansen
State Authorised Public Accountant

Management's review

Company details

Name	AbbVie A/S
Address, zip code, city	Emdrupvej 28C, 2100 Copenhagen Ø
CVR no.	34 46 28 28
Financial year	1 January - 31 December
Established	14 March 2012
E-mail	finance.dk@abbott.com
Telephone	+45 72 30 20 28
Supervisory Board	William Joseph Chase, Chairman Christina Dyreborg Jeppesen Tom Jensen Schjødt
Executive Board	Christina Dyreborg Jeppesen, CFO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, 2000 Frederiksberg
Bankers	Handelsbanken

Management's review

Financial highlights

DKK	2015	2014	2013	2012
Key figures				
Revenue	568,234,723	535,802,107	525,506,337	228,641,390
Operating profit/loss	30,146,618	19,623,987	15,502,389	15,355,492
Net financials	-162,511	-279,385	-172,159	699
Profit/loss for the year	21,523,179	13,119,760	10,590,713	11,171,795
Balance sheet				
Balance sheet total	171,116,342	210,544,683	226,027,613	185,939,959
Investments in property, plant and equipment	2,139,078	1,652,165	912,156	1,040,448
Equity	92,633,185	71,110,007	57,990,247	47,399,534
Financial ratios in %				
Return on assets	17.4	9.2	6.8	8.3
Equity ration	54.1	33.8	25.7	25.5
Return on equity	23.2	18.4	18.3	23.6
Average number of full-time employees				
	96	94	83	58

The company has only reflected the financial highlights as from the date of inception until the current year. According to the Danish Financial Statement Act, a company need to reflect their financial highlights for the past 5 years.

Management's review

The company's business review

The company's activities consist of marketing, sale and distribution of pharmaceutical products to the health sector in Denmark, the Faroe Islands and Iceland.

Recognition and measurement uncertainties

Management evaluates that no certain risks are related to recognition and measurement in connection with the presentation of the annual report.

Financial review

In 2015, the company's revenue came in at DKK 568,234,723 against DKK 535,802,107 last year. The income statement for 2015 shows a profit of DKK 21,523,179 against DKK 13,119,760 last year, and the balance sheet at 31 December 2015 shows equity of DKK 92,633,185.

The management considers the company's financial performance in the year satisfactory.

Non-financial matters

No other non-financial matters have been identified.

Knowledge resources

The company's future economic viability is dependent on the research and development work undertaken by the group, which is described further below. As the company's activities consist of marketing, sale and distribution, knowledge resources in these areas are of significant importance to the future success of the business.

Special risks

Parallel imports and changes in the European reference prices have an impact on the performance of the company.

Impact on the external environment

Management does not consider the company's impact on the external environment significant.

Research and development activities

Future income from products is dependent on the success of research and development activities within the group.

Statutory CSR report

The company do not have any separate policies for CSR in general, including human rights and the company's climate impact. For further information on the groups policies, see here: <http://www.abbvie.com/responsibility/home.html>

Account of the gender composition of management

The company's management is fairly split in gender. The company does not have a policy for the gender composition of management.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Outlook

The company expects that the result for 2016 will be at the same level as in 2015.

Financial statements for the period 1 January – 31 December

Income statement

Note	DKK	2015	2014
2	Revenue	568,234,723	535,802,107
	Cost of sales	380,922,445	363,993,591
	Other external expenses	55,493,386	57,628,605
	Gross margin	131,818,892	114,179,911
3	Staff costs	99,640,398	92,921,386
4	Amortization/depreciation of intangible assets and property, plant and equipment	2,031,876	1,634,538
	Operating profit/loss	30,146,618	19,623,987
5	Financial income	879,592	12,850
6	Financial expenses	1,042,103	292,235
	Pre-tax profit/loss	29,984,107	19,344,602
7	Tax for the year	8,460,928	6,224,842
	Profit/loss for the year	21,523,179	13,119,760
	Recommended appropriation of the profit/loss for the year		
	Retained earnings/accumulated loss	21,523,179	13,119,760
		21,523,179	13,119,760

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Goodwill	839,586	1,259,379
		<u>839,586</u>	<u>1,259,379</u>
9	Property, plant and equipment		
	Plant and machinery	1,175,603	1,208,774
	Other fixtures and fittings, tools and equipment	3,356,990	2,850,438
		<u>4,532,593</u>	<u>4,059,212</u>
	Investments		
	Other receivables	2,201,779	2,095,685
		<u>2,201,779</u>	<u>2,095,685</u>
	Total fixed assets	<u>7,573,958</u>	<u>7,414,276</u>
	Current assets		
	Inventory		
	Inventory	230,284	7,175,581
		<u>230,284</u>	<u>7,175,581</u>
10	Receivables		
	Trade receivables	112,055,627	134,640,020
	Receivables from group entities	45,952,223	1,106,009
	Income tax receivable	3,554,081	0
	Deferred tax	150,099	173,103
11	Prepayments	951,876	2,871,627
	Other receivables	24,000	69,000
		<u>162,687,906</u>	<u>138,859,759</u>
	Cash	<u>624,194</u>	<u>57,095,067</u>
	Total current assets	<u>163,542,384</u>	<u>203,130,407</u>
	TOTAL ASSETS	<u>171,116,342</u>	<u>210,544,683</u>

Financial statements for the period 1 January – 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	501,000	501,000
	Retained earnings/accumulated loss	<u>92,132,185</u>	<u>70,609,007</u>
	Total equity	<u>92,633,185</u>	<u>71,110,007</u>
	Liabilities		
	Short-term liabilities		
	Trade payables	13,577,956	6,563,672
	Payables to group entities	25,537,358	89,726,544
	Income taxes payable	0	188,645
	Other payables	<u>39,367,841</u>	<u>42,955,815</u>
		<u>78,483,156</u>	<u>139,434,676</u>
	Total liabilities other than provisions	<u>78,483,156</u>	<u>139,434,676</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>171,116,342</u></u>	<u><u>210,544,683</u></u>

Financial statements for the period 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	501,000	70,609,007	71,110,007
Profit/loss for the year, cf. appropriation of profit/loss	0	21,523,179	21,523,179
Equity at 31 December 2015	501,000	92,132,185	92,633,185

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of AbbVie A/S has been presented in accordance with the provisions of the Danish Financial Statements Act as regards large reporting class C enterprises.

The accounting policies applied by the company are consistent with those of last year.

Omission to present a cash flow statement

The cash flow statement has not been presented, cf. ÅRL (Danish Financial Statements Act) section 86(4). The cash flow statement is included in the consolidated accounts for AbbVie Inc., which can be obtained from the following website: www.abbvie.com.

Reporting currency

Currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rate at the balance sheet date. Realised and unrealised exchange gains and losses are recognised in the income statement as financial income/expenses.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature, earnings and market position of the acquired entity as well as the stability of the industry and the dependence on key staff.

The estimated useful lives and the residual value for intangible assets are as follows:

Goodwill	7 years
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The amortisation period for goodwill exceeds 5 years, as the main product in the invested company is still patent protected.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost plus revaluations and less expected residual value

The expected useful lives and the residual value of the assets are as follows:

Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Investments

Other investments comprise from other receivables, which covers rental deposits.

Deposits are measured at nominal value.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at the lower of cost or market using weighted average cost method. Cost of goods for resale consists of purchase price plus delivery costs. The net realizable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Proposed dividend

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Income tax

Current tax payables and receivables are recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other payables

Other payables are measured at net realisable value.

Segment information

Segment information is given for revenue broken down by business segment and geographical segment. The segmentation is in accordance with the entity's internal financial management.

Financial ratios

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios 'Recommendations and Financial Ratios 2015', cf. below:

Definition of financial ratios:

Return on assets:

Profit/loss from ordinary operating activities / Average assets * 100

Equity ratio:

Closing equity / Equity & liabilities at year-end * 100

Return on equity:

Profit/loss for the year / Average equity * 100

2 Revenue

As the company's product groups and markets do not deviate significantly from one another, no segment information has been disclosed.

DKK	2015	2014
3 Staff costs		
Wages and salaries	91,659,793	85,185,879
Pensions	7,241,671	6,981,978
Other social security costs	738,934	753,529
	<u>99,640,398</u>	<u>92,921,386</u>
Average number of full-time employees	<u>96</u>	<u>94</u>

Wages and salaries for 2015 includes restructuring expenses which amounts to DKK 4,182k.

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to management is not disclosed.

4 Amortisation/depreciation of intangible assets and property, plant and equipment

Amortisation of intangible assets	419,793	419,793
Depreciation of property, plant and equipment	1,612,083	1,214,745
	<u>2,031,876</u>	<u>1,634,538</u>

Financial statements for the period 1 January – 31 December

Notes to the financial statements

DKK		2015	2014
5	Financial income		
	Interest receivable, group entities	887	10,756
	Exchange gain	878,705	2,094
		<u>879,592</u>	<u>12,850</u>
6	Financial expenses		
	Interest expense, group entities	22,135	117,426
	Exchange losses	848,294	147,096
	Interest surcharges and tax recognised under net financials	171,674	27,713
		<u>1,042,103</u>	<u>292,235</u>
7	Tax for the year		
	Estimated tax charge for the year	8,453,230	6,177,349
	Deferred tax adjustments in the year	24,534	30,636
	Tax adjustments, prior years	0	6,872
	Effect of change in tax year	-1,566	9,985
		<u>8,476,198</u>	<u>6,224,842</u>
8	Intangible assets		
	DKK		Goodwill
	Cost at 1 January 2015		<u>2,938,951</u>
	Cost at 31 December 2015		<u>2,938,951</u>
	Impairment losses and amortisation at 1 January 2015		1,679,572
	Amortisation in the year		419,793
	Impairment losses and amortisation at 31 December 2015		<u>2,099,365</u>
	Carrying amount at 31 December 2015		<u>839,586</u>

Financial statements for the period 1 January – 31 December

Notes to the financial statements

9 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	13,993,827	7,631,455	21,625,282
Additions	640,046	1,499,033	2,139,078
Disposals	-904,537	-1,042,053	-1,946,590
Cost at 31 December 2015	13,729,336	8,088,434	21,817,771
Impairment losses and depreciation at 1 January 2015	12,785,053	4,781,017	17,566,070
Depreciation	641,406	970,677	1,612,083
Reversal of depreciation and impairment losses, disposals	-872,725	1,020,250	-1,892,975
Impairment losses and depreciation at 31 December 2015	12,553,734	4,731,445	17,285,179
Carrying amount at 31 December 2015	1,175,603	3,356,990	4,532,593

10 Receivables

Of the company's trade receivables DKK 0 falls due for payment after more than one year after the balance sheet date.

11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years, and mainly relate to congress, insurance policies and memberships.

12 Share capital

DKK	2015	2014
Analysis of the company's share capital, DKK 501,000: 501 shares of DKK 1,000 each	501,000	501,000
	501,000	501,000

The company's share capital has remained DKK 501,000 in the past 4 years.

13 Security for loans

The company has not placed any assets or other as security for loans at 31 December 2015.

Financial statements for the period 1 January – 31 December

Notes to the financial statements

14 Contingent liabilities and other financial obligations

Other financial obligations

DKK	2015	2014
Rent and lease liabilities	<u>15,449,117</u>	<u>18,316,024</u>

Rent and lease liabilities include a rent obligation totalling DKK 7,156,522 in interminable rent agreements with remaining contract terms of 1-2 years. Furthermore, the company has liabilities under operating leases for cars totalling DKK 8,292,595 with remaining contract terms of 1-5 years.

15 Related parties

Parties exercising control

Related party	Domicile	Basis for control
AbbVie Inc.	North Chicago, Illinois, U.S.A.	Ultimate parent company

Related party transactions not carried through on normal market terms

There are no related-party transactions that have not been carried through on normal market terms.

Information about shareholders holding 5% or more of the share capital or the voting rights

Name	Domicile
AbbVie Investments S.à.r.l. (reg. no. B166925)	16 Boulevard Royal, L-2449 Luxembourg

16 Fee for the auditors appointed by the company in general meeting

DKK	2015	2014
Fee for the statutory audit of the financial statements	435,510	473,380
Fee for tax consultancy	37,000	30,000
	<u>472,510</u>	<u>503,380</u>

17 Subsequent events

There are no significant changes planned in the company's operation in the foreseeable future.