

Unomedical a/s
Central Business Registration No
64153315
Åholmvej 1-3
4320 Lejre

Annual report 2015

The Annual General Meeting adopted the annual report on 23.05.2016

Chairman of the General Meeting



Name: Rina Jantzen

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Entity details

Entity

Unomedical a/s

Åholmvej 1-3

4320 Lejre

Central Business Registration No: 64153315

Founded: 12.02.1965

Registered in: Osted / DK-4320 Lejre

Financial year: 01.01.2015 - 31.12.2015

Phone: +4548167000

Internet: www.unomedical.dk

Board of Directors

Anders Arvai, Chairman of the Board

John Magnus Lindskog

Helle Bak Nielsen

Executive Board

John Magnus Lindskog, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Unomedical a/s for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

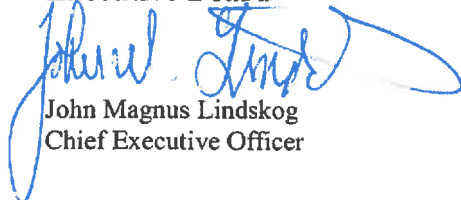
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

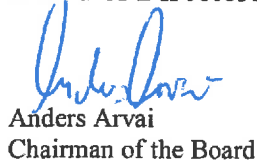
Lejre, 23.05.2016

Executive Board



John Magnus Lindskog
Chief Executive Officer

Board of Directors



Anders Arvai
Chairman of the Board



John Magnus Lindskog



Helle Bak Nielsen

Independent auditor's reports

To the owner of Unomedical a/s

Report on the financial statements

We have audited the financial statements of Unomedical a/s for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 audit 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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. 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 commentary is consistent with the financial statements.

Copenhagen, 23.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Henrik Kjelgaard
State Authorised Public Accountant



Christian Dahlstrøm
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015 DKK'000	2014 DKK'000	2013 DKK'000	2012 DKK'000	2011 DKK'000
Financial high-lights					
Key figures					
Revenue	1.627.565	1.387.420	1.704.247	1.731.994	1.547.300
Gross profit/loss	871.383	674.322	636.037	616.669	508.654
Operating profit/loss	741.644	512.420	457.562	423.268	307.766
Net financials	(61.785)	14.252	(80.370)	(11.231)	(2.995)
Profit/loss for the year	486.557	391.091	264.603	312.351	246.303
Total assets	3.052.857	2.439.711	2.189.333	2.235.160	2.087.981
Investments in property, plant and equipment	31.815	23.241	16.109	17.010	27.542
Equity	1.528.072	1.741.515	1.350.424	1.047.585	910.234
Employees in average	240	225	264	310	320
Ratios					
Gross margin (%)	53,5	48,6	37,3	35,6	32,9
Net margin (%)	29,9	28,2	15,5	18,0	15,9
Return on equity (%)	29,8	25,3	22,1	31,9	33,1
Solvency ratio (%)	50,1	71,4	61,7	46,9	43,6
Revenue per employee	6.782	6.166	6.455	5.587	4.835

Management commentary

Primary activities

Unomedical a/s is part of the Unomedical group of companies owned by the US-based ConvaTec Inc.

Unomedical a/s holds a leading position as a supplier of medical disposable products for the healthcare sector worldwide. Unomedical works constantly, in an innovative manner, to improve the quality of life for millions of people around the world. The object of these products is to improve the lives of the people we touch. We drive for excellence in all we do – anticipating and addressing our customers' needs with advanced technologies and best-in-class products and services.

Unomedical a/s consists of two main divisions: Infusion Devices (IFD) and Industrial Sales (IS).

Infusion Devices are primarily infusion sets used within diabetes care for subcutaneous infusion of insulin and secondary infusion set used for subcutaneous drug delivery. Industrial Sales is disposable hospital products which are essential for providing basic nursing needs for hospital and homecare use. These products are characterized by having a long life cycle, but there is a constant demand for new product updates and innovative solutions.

Development in activities and finances

Net sales for 2015 measured in DKK increased by 17.3% to DKK 1,627.6m compared to DKK 1,387.4m in 2014.

EBIT amounts to DKK 741.6m, which is an increase of 43.9% compared to 2014, where EBIT was DKK 512.4m. This development is assessed as very satisfactory.

EBT shows a result of DKK 679.9m compared to DKK 526.7m in 2014.

The Company's equity at 31 December 2015 amounts to DKK 1,528.1m compared to DKK 1,741.5m in 2014.

At year-end 2015, the solvency ratio is 50.1% compared to 71.4% at year-end 2014.

Non-financial issues

We work systematically to create a working environment based on core values such as Caring for People, Driving Innovation and Excellence and Earning Trust, and we continuously have focus on optimizing the organization and improving the efficiency of our internal processes and procedures.

Management commentary

Uncertainty relating to recognition and measurement

Recognition and measurement are not considered to be subject to material uncertainty or affected by unusual matters.

Unusual circumstances affecting recognition and measurement

There were no unusual circumstances in the financial year.

Outlook

In 2016, the IFD Division is continuing expected to be the key pillar in the future development.

In 2016, market growth in Europe and in the US market is expected to be in the level of 5-6%. There is still prospect of continued low financial growth and general pressure on the health sector.

In 2016, focus will be maintained on optimizing expenditure for which reason positive earnings performance is expected.

An increase of profit before tax is expected compared to 2015.

Particular risks

Business risks

The main commercial risk of Unomedical a/s relates to the ability of sustaining its strong market position. Therefore, the Company seeks to be at the cutting edge when it comes to technological development within our business areas and activities.

Financial exposure

Unomedical a/s has considerable sales in foreign currencies, and accordingly, the Company is exposed to changes in currency exchange rates. These financial risks are monitored and managed in close cooperation with the Parent, ConvaTec, which follows a low risk policy.

Intellectual capital resources

Being part of a very knowledge-based industry makes Unomedical a/s dependent on deeply engaged employees and leaders. Our ambition of being a market leader within our field means that we constantly keep focus on developing the skills of our employees. Based on this, we will be able to adapt to a constantly changing market place and extend our activities.

Environmental performance

Unomedical a/s operates in accordance with the Parent, ConvaTec's corporate EHS policy and is committed to ensuring that the Company complies with applicable laws and regulations as well as continuously improving the environmental performance of the Company. In the financial year 2015, Unomedical a/s has not experi-

Management commentary

enced any significant environmental issues and has not been cautioned or prosecuted for breaches of the environmental legislation.

Environmental KPIs have been established for Unomedical a/s and are monitored and reported on in accordance with ConvaTec's corporate policies.

Research and development activities

The Company has continuously been focusing on improving the quality and functionality of existing products and developing new product features in order to meet our customers' future demands and to improve the lives of the people we touch with our products.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Statutory disclosures regarding corporate social responsibility cf. the Danish Financial Statements Act section 99a and 99b

Unomedical a/s emphasizes being a responsible and reliable business partner externally as well as internally as well as equal opportunities for everyone, regardless of gender, age, ethnicity and political or religious orientation. As part of the ConvaTec Group, Unomedical a/s is subject to the Group's CSR policies. Complying consistently with these principles has secured the Company a solid position as the preferred BtB business partner within the Company's business area worldwide. No specific targets have so far been set for Denmark.

Employees and human rights

Unomedical a/s is committed to ensuring a sound working environment and being a responsible player in the environments we operate in. Efforts are constantly made to enhance safety in all processes. Injuries and accidents are reported regularly and followed up on. In 2015, a total of 0 injuries were reported (five in 2014) and a green smiley from the Danish Working Environment Authorities was achieved in 2015.

Sickness absence for 2015 is at the same level or below when comparing with comparable companies dependent on staff groups. We are working continuously on reduction of absence through talks, focus on health and gradual return after long-term sick leave.

As a consequence of increasing product development and project activities, a number of new employees were recruited for the Company and, therefore, new competencies have been added to the Company.

Management commentary

An employee survey was completed in 2015 which generally showed satisfaction. The employee survey will be used to work on increased employee job satisfaction in the Company. All employees have been involved in the preparation of action plans that can ensure even better job satisfaction.

Unomedical finds it positive to contribute to bringing people, who for some reason or other have fallen out of the job market, back in it. Against that background, Unomedical has assisted its surrounding local governments in providing work ability testing, traineeships etc. In 2015, several candidates have completed traineeships and work ability testing and this activity has continued in 2016.

We strive for a versatile and non-discriminatory workplace and forbid any use of child labor.

No formal policy has been drawn up regarding human rights, but we attempt continuously to ensure respect for our employees' human rights, including the right to a secure working place and non-discrimination through the above-mentioned measures.

Quality

The quality of the Company is governed by a general quality policy which lays down processes and procedures, in which staff are trained on a continual basis. Staff skills are also maintained based on internal and external courses and on-the-job training. Previously, a number of specialists were identified in the organization, who have been charged with the responsibility to follow and share knowledge about a number of special areas that are key to the Company's development. The result of this activity is increased product quality and reduced material wastage.

Anti-corruption

The external customer-related co-operation and business ethics are governed on a general level by the Code of Conduct policies and observes the US legislation as regards the Foreign Corrupt Practices Act. Training in these policies is provided to relevant staff groups, and the Company's views in this respect are regularly communicated to staff. The follow-up on compliance with these policies was also included in the normal coaching and the performance appraisals held between managers and staff.

Environmental and climate impact

The object of the environmental policy is to reduce the Company's environmental and climate impact by, for instance, reducing packaging, energy consumption and production wastage which forms part of the daily focus. Unomedical a/s will continually seek solutions that impact positively on both the internal and external environment. Please also see previously published paragraphs on environmental issues and the Group's policies in this respect. They may be found at: <http://www.convatec.com/aboutus/corporate-responsibility/commitment-to-ehs>.

Management commentary

The effect of the changes we made in the cooling and ventilation systems in the Danish production in late 2014 has reduced the energy consumption for this area to index 71 compared to 2014. In 2015, we have focus on reducing material wastage. The wastage in percent has been reduced from 2.5 to 2 in 2015 – with the effect of lower CO2 emissions.

Diversity

Regarding both the Board of Directors and in general terms, Unomedical a/s will always strive to ensure that the best qualified person holds a given position. Accordingly, all employees' and managers' performance are appraised based on individual objectives. These appraisals form the basis of promotions and granting of increased responsibility, ensuring that performance and objective criteria form the basis in this respect.

Being an international company, Unomedical a/s aspires to promote diversity and create equal opportunities for everyone, regardless of gender, age, ethnicity and political or religious orientation. Ambition is firmly rooted in Unomedical a/s' Code of Conduct.

Unomedical a/s aims at the underrepresented gender's share of the members elected by the General Meeting represent more than 20%. At present, the underrepresented gender's share represent 33% (1 out of 3).

When recruiting for executive positions, moreover, Unomedical a/s will make sure that the share of woman candidates on the shortlist corresponds to the share of women applicants for the position. When considering promotions to executive positions, Unomedical a/s will also make sure that at least one woman candidate is discussed. When recruiting for positions in other management tiers, we will ensure diversity in the gender balance.

In 2015, the recruited candidates account for 49% (56% in 2014) women and 51% (44% in 2014) men.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (big).

Referring to section 112(2) of the Danish Financial Statements Act, Unomedical a/s has not prepared any consolidated financial statements.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Accounting policies

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

For competitive reasons, the Company has not provided information on revenue distribution by business and geographic segments.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary write-downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises capital gains including interest income from receivables from group enterprises, currency gains as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Impairment of financial assets

Write-down of financial assets comprises write-down to the lower of recoverable amount and carrying amount and reversal of write-downs made in prior years to recoverable amount.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses attributable to payables to group enterprises, currency losses, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group companies. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined 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.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis over five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of

Accounting policies

the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

Indirect production costs in the form of indirect attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	20-25 years
Plant and machinery	5-7 years
Other fixtures and fittings, tools and equipment	3-4 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

The Company's share of dividend from subsidiaries is recognized in the income statement when conclusive right has been acquired.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale, raw materials and consumables consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation on and impairment losses relating to machinery, factory buildings and equipment applied for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting policies

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, Unomedical a/s has not prepared any cash flow statement.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$	Productivity of the entity

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	1.627.565	1.387.420
Changes in inventories of finished goods and work in progress		(2.992)	8.750
Costs of raw materials and consumables		(620.494)	(620.634)
Other external expenses	4	<u>(132.696)</u>	<u>(101.214)</u>
Gross profit/loss		871.383	674.322
Staff costs	2	(95.893)	(85.170)
Depreciation, amortisation and impairment losses	3	<u>(33.846)</u>	<u>(76.732)</u>
Operating profit/loss		741.644	512.420
Other financial income	5	105.000	59.145
Impairment of financial assets		(132.760)	(18.589)
Other financial expenses	6	<u>(34.025)</u>	<u>(26.304)</u>
Profit/loss from ordinary activities before tax		679.859	526.672
Tax on profit/loss from ordinary activities	7	<u>(193.302)</u>	<u>(135.581)</u>
Profit/loss for the year		<u>486.557</u>	<u>391.091</u>
Proposed distribution of profit/loss			
Dividend for the financial year		0	700.000
Retained earnings		<u>486.557</u>	<u>(308.909)</u>
		<u>486.557</u>	<u>391.091</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Completed development projects		6.257	13.122
Acquired intangible assets		4.452	4.869
Development projects in progress		11.762	5.384
Intangible assets	8	<u>22.471</u>	<u>23.375</u>
Land and buildings		26.560	28.432
Plant and machinery		71.294	76.346
Other fixtures and fittings, tools and equipment		300	127
Property, plant and equipment in progress		36.570	24.638
Property, plant and equipment	9	<u>134.724</u>	<u>129.543</u>
Investments in group enterprises		414.951	547.711
Receivables from group enterprises		1.516.318	1.025.791
Fixed asset investments	10	<u>1.931.269</u>	<u>1.573.502</u>
Fixed assets		<u>2.088.464</u>	<u>1.726.420</u>
Raw materials and consumables		38.589	33.715
Work in progress		9.968	11.850
Manufactured goods and goods for resale		56.808	63.319
Inventories		<u>105.365</u>	<u>108.884</u>
Trade receivables		99.320	101.476
Receivables from group enterprises		192.776	164.370
Other short-term receivables		10.861	10.857
Receivables		<u>302.957</u>	<u>276.703</u>
Cash		<u>556.071</u>	<u>327.704</u>
Current assets		<u>964.393</u>	<u>713.291</u>
Assets		<u>3.052.857</u>	<u>2.439.711</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	11	126.000	126.000
Retained earnings		1.402.072	915.515
Proposed dividend		0	700.000
Equity		<u>1.528.072</u>	<u>1.741.515</u>
Provisions for deferred tax	12	26.779	27.154
Provisions		<u>26.779</u>	<u>27.154</u>
Payables to group enterprises	13	388.523	388.190
Non-current liabilities other than provisions		<u>388.523</u>	<u>388.190</u>
Trade payables		34.900	25.843
Debt to group enterprises		827.621	58.274
Income tax payable		193.677	139.168
Other payables		53.285	59.567
Current liabilities other than provisions		<u>1.109.483</u>	<u>282.852</u>
Liabilities other than provisions		<u>1.498.006</u>	<u>671.042</u>
Equity and liabilities		<u><u>3.052.857</u></u>	<u><u>2.439.711</u></u>
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with control	17		
Ownership	18		
Consolidation	19		

Statement of changes in equity for 2015

	Contri- buted capi- tal DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	126.000	915.515	700.000	1.741.515
Ordinary dividend paid	0	0	(700.000)	(700.000)
Profit/loss for the year	0	486.557	0	486.557
Equity end of year	126.000	1.402.072	0	1.528.072

Notes

	2015 DKK'000	2014 DKK'000
1. Revenue		
Sales of goods	<u>1.627.565</u>	<u>1.387.420</u>
	1.627.565	1.387.420
	2015 DKK'000	2014 DKK'000
2. Staff costs		
Wages and salaries	87.257	78.159
Pension costs	7.381	6.672
Other social security costs	<u>1.255</u>	<u>339</u>
	95.893	85.170
Average number of employees	<u>240</u>	<u>225</u>
	Remune- ration of manage- ment 2015 DKK'000	Remune- ration of manage- ment 2014 DKK'000
Total amount for management categories	<u>6.357</u>	<u>7.330</u>
	6.357	7.330
<p>Persuant to the Danish Financial Statements Act section 98 B (3), the remuneration of the Company's management is shown in total.</p>		
	2015 DKK'000	2014 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	7.282	7.823
Impairment losses on intangible assets	0	31.208
Depreciation of property, plant and equipment	<u>26.564</u>	<u>37.701</u>
	33.846	76.732

Notes

4. Fees to the auditor appointed by the Annual General Meeting

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
Statutory audit services	724	749
Other assurance engagements	0	85
Other services	60	40
	<u>764</u>	<u>874</u>

5. Other financial income

Financial income arising from group enterprises

Exchange rate adjustments

Other financial income

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
	57.697	25.092
	47.266	34.032
	37	21
	<u>105.000</u>	<u>59.145</u>

6. Other financial expenses

Financial expenses from group enterprises

Exchange rate adjustments

Other financial expenses

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
	30.731	20.710
	1.791	4.794
	1.503	800
	<u>34.025</u>	<u>26.304</u>

7. Tax on ordinary profit/loss for the year

Current tax

Change in deferred tax for the year

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
	193.677	139.168
	(375)	(3.587)
	<u>193.302</u>	<u>135.581</u>

Notes

	Completed develop- ment pro- jects DKK'000	Acquired intangible assets DKK'000	Develop- ment pro- jects in progress DKK'000	
8. Intangible assets				
Cost beginning of year	56.275	17.872	36.592	
Additions	0	0	6.378	
Disposals	0	0	(31.208)	
Cost end of year	56.275	17.872	11.762	
Amortisation and impairment losses beginning of year	(43.153)	(13.003)	(31.208)	
Amortisation for the year	(6.865)	(417)	0	
Reversal regarding disposals	0	0	31.208	
Amortisation and impairment losses end of year	(50.018)	(13.420)	0	
Carrying amount end of year	6.257	4.452	11.762	
	Land and buildings DKK'000	Plant and machinery DKK'000	Other fix- tures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
9. Property, plant and equipment				
Cost beginning of year	58.834	445.900	5.141	24.638
Transfer to and from other items	697	18.860	255	(19.812)
Additions	0	0	0	31.815
Disposals	0	(63.772)	(1.303)	(71)
Cost end of year	59.531	400.988	4.093	36.570
Depreciation and impairment losses beginning of the year	(30.402)	(369.554)	(5.014)	0
Depreciation for the year	(2.569)	(23.913)	(82)	0
Reversal regarding disposals	0	63.773	1.303	0
Depreciation and impairment losses end of the year	(32.971)	(329.694)	(3.793)	0
Carrying amount end of year	26.560	71.294	300	36.570

Notes

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000
10. Fixed asset investments		
Cost beginning of year		
Additions	777.834	1.025.791
Cost end of year	<u>0</u>	<u>490.527</u>
	777.834	1.516.318
Impairment losses beginning of year		
Impairment losses for the year	(230.123)	0
Impairment losses end of year	<u>(132.760)</u>	<u>0</u>
	(362.883)	0
Carrying amount end of year	<u>414.951</u>	<u>1.516.318</u>

	Registered in	Corporate form	Equity interest %
Subsidiaries:			
Pharma Plast Productors Medicos S.A.	Spain	S.A.	100,00
Unimedical France SAS	France	SAS	100,00
Unomedical Holdings Limited	England	Ltd.	100,00
ConvaTec Oy	Finland	Oy	100,00
Unomedical Sdn. Bhd.	Malaysia	Sdn. Bhd.	75,00
Unimedical Devices SA de CV.	Mexico	CV.	100,00
ZAO ConvaTec	Russia	Ltd.	100,00
Unomedical s.r.o.	Slovakia	s.r.o.	100,00
Unomedical America Inc.	USA	Inc.	100,00
Fe Unomedical Limited	Belarus	Ltd.	100,00
Papyro-Tex A/S	Denmark	A/S	100,00

	Number	Par value DKK	Nominal value DKK'000
11. Contributed capital			
Share capital	126.000	1,00	126.000
	<u>126.000</u>		<u>126.000</u>

Notes

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
12. Deferred tax		
Intangible assets	4.944	5.143
Property, plant and equipment	1.163	1.130
Inventories	4.694	4.360
Receivables	0	(59)
Provisions	(255)	(1.520)
Other taxable temporary differences	<u>16.233</u>	<u>18.100</u>
	<u>26.779</u>	<u>27.154</u>

13. Long-term debt to group enterprises

Payables to group enterprises which mature after five years amount to DKK 0.

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
14. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	<u>2.503</u>	<u>2.455</u>

15. Contingent liabilities

The Company is party to a national Danish joint taxation scheme with ConvaTec Denmark A/S as the management company. Consequently, the Company is liable from the financial year 2013 for corporation taxes for the jointly taxed companies and with effect from 1 July 2012, the Company is also liable for any obligations to withhold tax at source on interest, royalties and returns for the jointly taxed companies.

The Company is party to minor cases and disputes. The Company believes that these cases will not trigger claims in excess of what has already been provided for in the financial statements.

The Company has pledged unconditional financial support to its subsidiary ZAO ConvaTec if needed. The letter of support is granted until June 2016.

The Company has incurred contractual obligations in the normal course of operations with suppliers. The total amount of contractual obligations amount up to DKK 36.4m.

Notes

16. Assets charged and collateral

Company assets are given as security for ConvaTec Healthcare B S.à r.l Group loan agreement.

The Company has through its bank provided a guarantee to a third party in connection with trade.

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
The guarantees amount to:	15.673	13.946

17. Related parties with control

Unomedical Holding A/S, ConvaTec Denmark A/S, ConvaTec Inc. and companies owned by these enterprises as well as funds and entities affiliated to Nordic Capital and Avista Partners, the Executive Board, the Board of Directors and certain Executives are considered related parties. Nordic Capital and Avista Partners jointly exercise control. Group enterprises are also considered related party to the Parent.

Related party transactions include sale of goods, purchase of goods and services, interest income, interest expenses, receivable and loan. Remuneration of Management is specified in Note 2.

18. Ownership

The Company has registered the following shareholders to hold more than 5 % of the voting share capital or of the nominal value of the share capital:

Unomedical Holding A/S, Skinderskovvej 32, 2730 Herlev.

19. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

ConvaTec Healthcare B S.a.r.l., 7A, Rue Robert Stumper, L-2557 Luxembourg, Luxembourg

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

ConvaTec Healthcare B S.a.r.l., 7A, Rue Robert Stumper, L-2557 Luxembourg, Luxembourg