Pfizer ApS

Annual Report 2015/16

Chairman of the Annual General Meeting

NICHOLAS WILLIAM BOE STENDERNE

Lautrupvang 8, 2750 Ballerup Registration no: 66 35 19 12

The Annual Report contains 27 pages

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Pfizer ApS for the financial year 1 December 2015 – 30 November 2016.

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 assets, liabilities and financial position at 30 November 2016 and of the results of the Company's operations for the financial year I December 2015 – 30 November 2016.

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 its financial position.

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

Ballerup, 26 April 2017

Executive Board:

Henriette Rosenquist

Board of Directors:	anthon so	1	
Nanna Jannov Chairman	Kamila K. Kozikowska	Lars Møller	
Her	Hilanghu	>	
Anne Birgitte Hein	Henriette Rosenquist	Stefano Podesta	

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Ballerup, 26 April 2017

Executive Board:

Henriette Rosenquist

Nanna Jannov
Chairman

Kamila K. Kozikowska
L.ars Moller

Anne Birgitte Hein

Henriette Rosenquist

Stefano Podesta

Independent auditors' report

To the shareholders of Pfizer ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Pfizer ApS for the financial year 1 December 2015-30 November 2016. The financial statements comprise accounting policies, income statement, balance sheet, and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control 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' judgment, 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 30 November 2016 and of the results of its operations for the financial year 1 December 2015 – 30 November 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any 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, 26 April 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no: 25 57 81 98

Benny Lynge Sørensen State Authorised Public Accountant Joakim Juul Larsen State Authorised Public Accountant

Management's review

Company details

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Web site:

www.pfizer.dk

Registration No.

66 35 19 12

Registered office: Lautrupvang 8, 2750 Ballerup, Denmark

Board of Directors

Nanna Jannov Kamila K. Kozikowska Lars Møller Anne Birgitte Hein Henriette Rosenquist Stefano Podesta

Executive Board

Henriette Rosenquist

Auditors

KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 Copenhagen

Financial highlights

DKK'000	2015/16	2014/15	2013/14	2012/13	2011/12
Key figures					
Revenue	426,823	528,869	509,882	521,407	437,492
Operating profit	18,760	39,955	6,870	23,921	21,698
Net loss from interest income and		ĺ			,
expense and similar items	6	158	-366	-1,942	176
Profit /(loss) for the year	11,789	27,705	5,644	22,425	21,490
Fixed assets	27,897	2,697	3,360	3,668	93,791
Current assets	488,117	571,676	536,448	498,676	334,303
Total assets	516,015	574,373	539,808	502,344	428,094
Capital and reserves	384,360	372,571	344,869	339,246	316,821
Provisions	3,911	4,287	11,141	7,354	8,782
Short-term liabilities other than	-,	-,	,	,,55.	0,702
provisions	127,744	197,515	183,800	155,745	102,495
Investment in tangible fixed assets			218	136	4,159
Financial ratios					
Operating profit ratio	4.4	7.6	1.3	4.6	5.0
Return on investment	5.1	11.3	2.1	7.5	7.1
Current ratio	382.1	289.4	291.9	320.2	326.2
Equity ratio	74.5	64.9	63.9	67.5	74.0
Return on equity	3.2	7.9	1.7	6.8	7.0
Average number of employees	131	138	143	118	124

^{*} Financial highlights for the period 2011/12 to 2012/2013 have been restated with the transferring of GEP activities, assets and liabilities from Pfizer Aps to Pfizer PFE Aps on 1 December 2013.

The 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".

Management's review

Operating Review

Activities

Pfizer ApS is part of the American Pfizer Group, a multinational pharmaceutical group listed on the New York Stock Exchange.

Pfizer ApS is a fully owned subsidiary of Pfizer Inc. and its activities primarily consist of marketing, distribution and sale of the Pfizer Group's pharmaceutical and consumer products and, to a limited extent, the coordination of clinical studies performed by other parties in Denmark for the Pfizer Group's products. Pfizer ApS markets, distributes and sells pharmaceutical goods in Denmark, as well as to a third party distributor in Iceland.

Corporate Social Responsibility

Pfizer ApS considers corporate social responsibility a factor of increasing importance for the business. The Company has not worked out independent strategies and policies on the subject. However, the Company's ultimate parent company Pfizer Inc. has strategies and policies regarding corporate social responsibility for the Group, including impacts on climate, environment and human rights which Pfizer ApS continuously works with.

More information about Corporate Social Responsibility is described in Pfizer's website at: http://www.pfizer.com/investors/financial reports/financial reports

The development of the year

Turnover in Pfizer ApS decreased in 2015/16 from DKK 529 million to DKK 427 million. The great majority of this decline is driven by Enbrel, a major brand with loss of exclusivity in 2015 and facing biosimilar competition in 2016. In addition, revenues from Prevenar Infant are also lower compared to prior year, due to a decrease in prices in 2016 per the tender contract.

The increased price pressures in Denmark continue leading to increasing levels of parallel trade affecting several retail brands and, in certain cases also some hospital brands.

Management's review

Operating Review

The operating profit decreased from DKK 39.9 million in 2014/15 to DKK 18.8 million in 2015/16, in line with the revenue decline. The profit 2014/15 also included one-time favourable adjustments from prior years.

The result for the year is satisfactory, with a turnover and operating profit within the range of expectations set for 2015/16.

Marketing and Distribution costs decreased by DKK 2.8 million compared to prior year due to lower investment in Enbrel after loss of exclusivity but partly offset with additional investments in brands with projected growth such as Prevenar Adult, Champix and several Oncology brands as well as, pre-launch activities for upcoming new products in Inflammation and Immunology and in Oncology.

Development expenses increased by DKK 14.1 million compared to prior due to higher investments in the Consumer division, the Oncology and the Vaccines business units as well as, higher regulatory fees due to the integration of the Hospira business.

The decrease of 21.5M in Administrative expenses is mostly explained by the charges from other Pfizer affiliates concerning provision of services in 2015 that no longer apply in 2016 in accordance to transfer price group policies.

Financial position

The Company's share capital and reserves amounted to DKK 384 million at year end 2015/16, which is 74% of the balance sheet total.

Research and development activities

Research and development activities within the Pharmaceutical division of Pfizer ApS comprise clinical trials, regulatory affairs, drug safety and medical affairs. The Pharmaceutical division of Pfizer ApS only performs research and development on behalf of other group enterprises.

Research and development for the Consumer division comprise product development including product design, nutritional science (medical affairs/clinical trials), project management and regulatory affairs.

Pfizer ApS does not acquire ownership to intellectual rights neither for the Pharmaceutical nor for the Consumer division.

Management's review

Knowledge resources

It is the goal of Pfizer to attract the best people, enabling Pfizer to constantly develop and adapt the Company to an ever-changing world. Through training Pfizer constantly seeks to develop the employees, in terms of knowledge of the products, as well as developing competencies and training in core values.

Operating Review

Outlook

For 2016/17 the Company expects continued revenue decline due to the biosimilar competition for Enbrel after loss of exclusivity. In addition, there were several one-time favourable events related to products in the Rare Disease Business Unit that will not repeat in 2016/17. This decline is expected to be partly offset by continued growth in the Vaccines & Oncology business units. Operating profit is also expected to be below 2015/16.

The prescription activity is expected to grow due to increased productivity in the secondary care and market growth as a result of ageing population. The industry as a whole in Denmark is exposed to competition from parallel importers, biosimilar entries and generic substitution. At the same time, public health costs are under supervision, a good example is the recently created Medicines Council.

Events after the balance sheet date

No material events have occurred subsequent to 30 November 2016 which significantly affects the assessment of the annual report.

Target figures regarding the under-represented gender in the Board of Directors

In accordance with section §99 b of the Danish Financial Statements Act, we have adopted a culture of diversity and inclusion. There is no disparity between the genders both at the Board and managerial levels. Our Board of Directors consists of 6 members, of which 4 are females and 2 males. As this ratio is considered balance, no target has been set to increase the gender underrepresentation. In regards to other management levels, no gender is underrepresented with less than 40%, thus not specific policy has been adopted.

Accounting policies

The annual report for 2015/2016 has been prepared in accordance with the provisions applying to class C (large) enterprises under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change of presentation of other operating income

In 2015/16, income from services provided to other Pfizer entities are included as other operating income. In 2014/15 this income was deducted costs for marketing and distribution, development and administration. Comparative figures have been restated. The effect on the income statement for 2015/16 and 2014/15 is:

	2015/16 Current method	2015/16 Prior method	2014/15 Current method	2014/15 Prior method
Marketing and distribution costs	-105,555	-89,545	-108,328	-80,241
Development expenses	-74,146	-26,048	-59,981	-47,258
Administrative expenses	-61,802 -4,900 -83,307		-29,018	
Other operating income/expenses	121,384	374	101,945	6,845

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Accounting policies

Income statement

Revenue

Revenue from the sale of goods for resale is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured exclusive of VAT and taxes related to sale.

Cost of sales

Cost of sales comprise the cost of goods and services sold during the year.

Development expenses

Development expenses of the Pharmaceutical division comprise costs related to clinical trials, regulatory affairs, drug safety and medical affairs. The Pharmaceutical division of Pfizer ApS only performs research and development on behalf of other group enterprises.

Development expenses of the Consumer division comprise product development including product design, nutritional science (medical affairs/clinical trials), project management and regulatory affairs.

Marketing and distribution costs

Costs incurred in marketing and distributing goods sold during the year and in conducting sales campaigns etc. during the year are recognised as marketing and distribution costs. Also, costs relating to sales staff, advertising, exhibitions and depreciation are recognised as marketing and distribution costs.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the enterprise. Other operating income mainly includes income from research and development, marketing and administrative services provided to other Pfizer entities.

Accounting policies

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme etc.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful life of the assets. The expected useful life is as follows:

Leasehold improvements, fixtures and fittings, tools and equipment 8-12 years

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment

Depreciation is recognised in the income statement as marketing and distribution costs, development costs and administrative expenses, respectively.

Impairment

The carrying amount of property, plant and equipment is subject to an annual impairment test besides depreciation.

When there is an indication that assets may be impaired, an impairment test is made of each asset or group of assets, respectively. Impairment is made to the lower of recoverable amount of the asset and the carrying amount.

Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost. Provisions are made for anticipated losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Capital and reserves - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under capital and reserves.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised under investments at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

The Company is jointly taxed with all Danish group entities in the Pfizer Group. The current Danish corporate tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full allocation with reimbursement for tax losses).

Other provisions

Provisions comprise anticipated costs relating to returned goods and restructuring provisions. Provisions for returns are measured and recognised based on Management's experiences of returned goods.

Financial liabilities

Financial liabilities, comprising trade payables and amounts owed to group enterprises are measured at amortised cost. Other liabilities are measured at net realisable value.

Cash flow statement

Pfizer ApS has not prepared a cash flow statement because the Company is included in the consolidated cash flow statement for the ultimate parent company Pfizer Inc. which can be found in the "for Investors" section under 2016 Financial Report at www.pfizer.com

Segment information

Information is provided on business segments. Segment information is based on the Company's accounting policies, risks and internal financial management.

Financial Highlights

The 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".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating profit/(loss) ratio

Operating profit/ (loss) x 100 Revenue

Return on investment

Operating profit/(loss) x 100 Average invested capital

Current ratio

Current assets x 100 Short-term liabilities

Equity ratio

Equity at year end x 100
Total equity and liabilities at year end

Return on equity

Profit/ (loss) for the year x 100 Average equity

Income statement

DKK'000	Note	2015/16	2014/15
Revenue	1	426,823	528,869
Cost of sales		-287,944	-339,244
Gross margin		138,879	189,625
Marketing and distribution costs	2	-105,555	-108,328
Development expenses	2	-74,146	-59,981
Administrative expenses	2,3,4	-61,802	-83,307
		-102,624	-61,991
Other operating income/expenses, net	5	121,384	101,945
Operating profit		18,760	39,955
Net interest income and expenses and similar items	6	6	158
Profit before tax		18,766	40,113
Corporation tax for the year	7	-6,977	-12,408
Profit for the year		11,789	27,705

Proposed profit appropriation

DKK'000	Note	2015/16	2014/15
Allocation to retained earnings		11,789	27,705
		11,789	27,705

Balance sheet as at 30 November

DKK'000	Note	2016	2015
ASSETS			
Non-current assets	8		
Fixtures and fittings, tools and equipment Property, plant and equipment under construction		21,336 6,561	2,697
Total non-current assets		27,897	2,697
Current assets			
Inventories	9	86,311	120,592
Receivables			
Trade receivables		44,184	60,961
Amounts owed by group enterprises		347,126	375,424
Other receivables		195	100
Corporation tax	14	3,400	3,400
Prepayments	10	1,368	1,428
Deferred tax	12	4,871	4,889
		401,144	446,102
Cash and bank balances		663	4,982
Total current assets		488,117	571,676
TOTAL ASSETS		516,015	574,373

Balance sheet as at 30 November

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES Equity	11		
Share capital Retained earnings	11	250,771 133,589	250,771 121,800
Total equity		384,360	372,571
Provisions Other provisions	13	5,567	4,287
Total provisions		5,567	4,287
Short-term liabilities other than provisions			
Trade payables		34,877	17,037
Amounts owed to group enterprises		40,503	124,661
Other payables	15	50,708	55,817
Total liabilities		126,088	197,515
TOTAL EQUITY AND LIABILITIES		516,015	574,373

Note 16- Contingent liabilities and other financial obligations Note 17- Related Parties

Notes

1 Segment information

Geographical breakdown

	Denmark Pharma- ceutical	Denmark Consumer Products		
DKK'000	Products		Iceland	Total
2015/16				
Revenue	358,626	38,889	29,308	426,823
2014/15				
Revenue	469,065	38,314	21,490	528,869

All revenue is related to the sale of prescription medicine and consumer health.

Notes

DKK'000	2015/16	2014/15
2 Staff costs		
Wages and salaries	118,324	107,626
Pensions	9,846	10,466
Other social security costs	640	783
Re-invoiced	150	439
	128,960	119,315
Staff costs are recognised as follows in the financial statements:		
Marketing and distribution costs	50,319	59,063
Research and development expenses	45,562	42,519
Administrative expenses	33,079	17,733
Other operating income, net	~	*
	128,960	119,315
Average number of employees	131	138

Pursuant to Section 98b of the Danish Financial Statements Act, remuneration to Management is not disclosed. No emoluments have been paid to the Board of Directors.

Notes

	DKK'000	2015/16	2014/15
3	Depreciation and impairment loss		
	Property, plant and equipment		
	Depreciation for the year Gain on disposal	2,148	554 -174
		2,148	380
	Depreciation and impairment losses are recognised as follows in the financial statements:		
	Development Expenses	54	*
	Administrative expenses	2,094	380
		2,148	380
4	Fees paid to auditors appointed at the annual general meeting		
	Statutory audit	480	480
	Tax	25	25
		505	505
5	Other operating income, net		
	Sales & Marketing service	16,384	35,578
	Administrative services Development services	56,902 48,098	63,861 2,506
	Development services	121,384	101,945

Notes

	DKK'000	2015/16	2014/15
6	Net interest income and expenses and similar items		
	Interest income, DKK 10 thousand (2014/15: DKK 25 thousand)		
	of which is intra-group	10	25
	Foreign exchange adjustments	175	297
	Interest expenses, DKK 19 thousand (2014/15: DKK 111		
	thousand) of which is intra-group	-19	-111
	Bank charges	-55	-53
	Other Expenses	-105	-
		6	158
7	Tax on the profit for the year		
	Corporation tax on profit for the year	6,844	10,297
	Adjustment for deferred tax	18	1,104
	Reduction of corporate tax rate	-	333
	Adjustments to taxes from prior years	115	674
		6,977	12,408
	Adjustments to taxes from prior years		

Notes

8 Property, plant and equipment

	Fixtures and fittings, tools and equipment	Under construction	Total
Costs at 30 November 2015	9,104	-	9,104
Additions	20,908	12,364	33,272
Reclassification	5,803	-5,803	-
Costs at 30 November 2016	35,815	6,561	42,376
Depreciation at 30 November 2015	-6,407	12	-6,407
Depreciation	-8,072	-	-8,072
Disposals		,⊕,	-
Reclassification	3 .0	:=:	-
Impairment charge	= ₹	300	-
Depreciation at 30 November 2016	-14,479		-14,479
Carrying amount at 30 November 2016	21,336	6,561	27,897

9 Inventories

DKK 0 million (2014/15: DKK 32.1 million) is comprised by a special distribution agreement stating that any losses may be re-invoiced to the supplier. The distribution agreement has been terminated from 1st December 2015, wherefore the agreement is not applicable for fiscal year 2016.

	DKK'000	2015/16	2014/15
10	Prepayments Other prepayments	1 260	1 420
	Other prepayments	1,368	1,428
		1,368	1,428

Notes

11 Capital and reserves

The changes in equity can be specified as follows:

DKK'000	Share Capital	Retained Earnings	Total
Equity at 1 December 2015	250,771	121,800	372,571
Transferred from profit for the year	ù	11,789	11,789
Equity at 30 November 2016	250,771	133,589	384,360

The share capital comprises 250,771 thousand issued shares with a nominal value of 1 DKK each.

The changes in share capital for the last 5 years can be specified as follows:

DKK'000	2015/16	2014/15	2013/2014	2012/13	2011/2012
Share Capital at 1 December	250,771	250,771	250,771	250,771	250,771
Share capital at 30 November	250,771	250,771	250,771	250,771	250,771

Notes

Total provisions 30 November

	DKK'000	2015/16	2014/15
12	Deferred tax Deferred tax 1 December	4 000	5.070
	Adjustment for deferred tax from prior years	4,889	5,878
	Reduction of corporate tax rate	-227	448 -333
	Adjustment of deferred tax	209	-1,104
	-		
	Deferred tax 30 November	4,871	4,889
13	Deferred tax relates to plant and equipment, inventories, receivable other payables. Other provisions	os, other pro	visions und
	Provision for returned goods 1 December	875	1,257
	Used during the year	-2,943	-1,762
	Provision for the year	2,435	1,380
	Provision for returned goods 30 November	367	875
	The provisions comprise of anticipated costs relating to returned expects to use the provision over the next year. Provision for restructuring	goods. The	e Company
	Provision for restructuring 1 December	3,412	9,884
	Used during the year	-3,797	-3,393
	Provision for the year	5,584	-3,079
	Total Restructuring 30 November	5,200	3,412
	The majority of the accrued restructuring initiatives will be utilized	by the end	of the year
	2017, except for DKK 836 thousand that will be used in 2018.		

4,287

5,567

Notes

	DKK'000	2015/16	2014/15
14	Corporation tax		
	Tax on taxable income for the year	-6,844	-10,297
	Joint taxation loss relief	6,844	10,297
	Tax payment on account	9 =	3,366
	Payment supplement/allowance to corporation tax on profit for the		
	year	-	34
	Refunds outstanding from prior years	3,400	
	Receivable / (Payable) corporation tax at 30 November	3,400	3,400
15	Other payables		
	VAT and taxes	2,591	10,317
	Payable wages and salaries inclusive of holiday provision	32,061	30,614
	Other payables	16,056	14,886
		50,708	55,817

Payable wages and salaries include amounts for employees dismissed at 30 November 2016

16 Contingent liabilities and other financial obligations

Lease obligations

The Company has entered into operating leases regarding cars and other operating equipment. The remaining payments for lease obligations amount to DKK 9,2 million (2014/15 figure of DKK 10,2 million).

On December 14 2012, the Company entered into a commercial lease agreement with Wihlborgs A/S to rent 39.11% of the total gross surface area (4,544 of 11,620 m2) of the building located in Lautrupvang 8, Ballerup, previously owned by the Company.

The cost of the annual rent excluding VAT is DKK 3,330,244. This amount is payable in four quarterly installments due 1st January, 1st April, 1st June and 1st October. Both parties may terminate the lease including roof terrace area and parking places by giving six months' prior written notice to expire on the last day of a month. The Company, may terminate the lease including roof terrace area and parking places to expire no earlier than 1st September 2020 and the company. The landlord may terminate the lease including roof terrace area and parking places – except in the event of breach – to expire no earlier than 1st September 2032.

Notes

Contingent liabilities and other financial obligations (continued)

Share options & restricted stock units

The group parent company Pfizer Inc. has established a share option and restricted stock unit scheme for employees within the Pfizer Group, including employees in Pfizer ApS. The options can be exercised from 2010 within a period from three to ten years after they are granted to the employee.

Financial obligations

The company is jointly taxed /VAT registered with other Danish companies in the Pfizer group. As a wholly owned subsidiary of Pfizer Inc., the company is unlimited and solidarity liable with the other companies in the joint taxation regarding Danish income tax, withholding taxes on dividends, interest and royalties in the joint taxation. Payable withholding taxes in the joint taxation are as of 30th November 2016 DKK 0. Any subsequent corrections of the taxable income in the joint taxation or withholding taxes could lead to the company's liability being higher.

17 Related parties

Pfizer ApS' related parties comprise:

Parties exercising control

Pfizer ApS is owned 100% by Wyeth AB, Vetenskapsvägen 10, 191 90 Sollentuna, Sverige.

Furthermore, the Company is included in the consolidated financial statements of the ultimate parent company Pfizer Inc., 219-8-6A East 42nd Street, New York, N.Y. 10017, USA.

The consolidated financial statements of Pfizer Inc are available at the Company's address or on the Company's website at www.pfizer.com.

Other related parties with significant influence

Group enterprises and associates of Pfizer Inc.

Related parties exercising significant influence furthermore comprise the Company's executive and supervisory boards, executive employees and their family members. Further, related parties comprise companies in which the above persons have substantial interest.