Specialpris 1

Skatter i årsrapporten

Torben Johansen, FSR, præsenterer de nominerede selskaber

Ordstyrer: Kristian Koktvedgaard, DI

Specialpris 1
– *Skatter i årsrapporten*

Motivering for emnet:

- I de senere år er der større fokus på virksomhedernes skattebetalinger og skattepolitikker
- Ønske om at fremme god skik for informationer i årsrapporten, herunder informationer om politikker og strategi for håndtering af skattebetalinger
- Fokus og vægtning mellem lovpligtige og frivillige oplysninger i årsrapporten.

Specialpris 1
– *Skatter i årsrapporten*

Hvad har dommerkomitéen lagt vægt på:

- Informative beskrivelser, der giver indblik i skattepolitikker og strategi for skatteforhold
- Beskrivelser i lovpligtige noter, herunder uddybende forklaringer på eventuelle særlige forhold
- Fokus på væsentlighed og relevans i forhold til virksomheden.

Specialpris 1
– *Skatter i årsrapporten*

Hvad har dommerkomitéen lagt vægt på:

- Informativ og virksomhedstilpasset beskrivelse af anvendt regnskabspraksis og evt. regnskabsmæssige skøn
- Præsentation og beskrivelse af evt. usikkerhed ved skatteopgørelsen (uncertain tax positions)
- Hensigtsmæssig placering i årsrapporten, evt. med uddybende beskrivelse på hjemmesiden.

Specialpris 1
– Skatter i årsrapporten

Generelle observationer:

- Mange virksomheder har valgt at offentliggøre frivillige skatteoplysninger i en eller anden form
  - Åbenhed om det skattesystem virksomheden er underlagt
- Særskilte rapporter på hjemmesiden er ofte anvendt, evt. en del af CSR-notat
- Udformningen af beskrivelserne er meget forskellig i detaljeringsgrad.

Specialpris 1
– Skatter i årsrapporten

Generelle observationer:

- Omtale i ledelsesberetningen anvendes kun i mindre eller ingen grad
- Gode specifikationsgrader af skatteudgifter og udskudte skatter.

Specialpris 1
– Gode eksempler fra ikke-nominerede

A.P. Møller-Mærsk

- God og informativ beskrivelse af skattepolitikker og skattebetalinger
- God oversigt og beskrivelse af skattebehandling i forskellige forretningsområder
- Beskrivelse af hvor værdier skabes og beskattes
- Forklare komplicerede temaer på let forståelig måde.

Our businesses and how they are taxed

MAERSK LINE
Maersk Line owns or charters over 700 vessels and three million containers. It operates offices in approximately 112 countries. It has ship-owning companies outside Denmark, principally in Singapore, Hong Kong and the USA, which charter vessels to Maersk Line in Denmark.

Maersk Line is taxed where operations are carried out – centrally in shipowning companies according to regular corporate tax regimes or industry-specific tonnage tax regimes. In some countries a special freight tax is levied.

In addition, Maersk Line local agencies are taxed in accordance with local corporate tax rules.

Total tax charge (income) in 2016: USD 20m

DAMCO
Damco is a provider of global logistics solutions active in over 100 countries, where it has operating companies that are each taxed under the regular corporate tax rules in the respective countries of operation.

Total tax charge in 2016: USD 24m

APM TERMINALS
A.P. Moller - Maersk's terminal business consists of 72 operating port and terminal facilities and 140 Inland Services operations in 69 countries. The terminals are taxed on their activities in the countries in which they are located at the corporate tax rates applied there.

Total tax charge in 2016: USD 149m

SVITZER
Svitzer has a fleet of 430 vessels operated by individual companies in the countries in which they operate. For the most part, they are taxed under regular corporate income tax regimes. In some countries, the companies pay tonnage tax on their ocean-going activities.

Total tax charge in 2016: USD 6m

MAERSK CONTAINER INDUSTRY
Maersk Container Industry develops and manufactures refrigerated and dry containers, and the Star Cool refrigeration machine. MCI has R&D and engineering test facilities in Denmark, with production facilities in China and Chile. Corporate taxes are paid where MCI has operations.

Total tax charge (income) in 2016: USD 8m

MAERSK OIL
Maersk Oil has production in Qatar, the UK, Algeria, Denmark, Kazakhstan, and the USA and Iraqi Kurdistan.

A special hydro carbon tax regime, or production sharing agreement, with a higher tax rate than normal corporate tax rates, is applied in all of these countries except Kazakhstan.

For example, in Denmark, the profits from the oil activity are taxed at a 25% corporate tax rate, with a hydrocarbon surcharge. Profits are taxed at total of around 64%. In the UK, the regular corporate tax is supplemented by a hydrocarbon surcharge of 10%, and in the US, the profits from the oil activity are subject to both corporate income tax and a royalty.

Total tax charge in 2016: USD 931m – See the §99c table online at http://investor.maersk.com/financials.cfm

MAERSK TANKERS
Maersk Tankers has shipowning activities in Denmark and Singapore. The taxation of Maersk Tankers is similar to that of Maersk Line, in that the businesses are subject to local freight taxes, as well as taxation on ship-owning activities.

Total tax charge in 2016: USD 2m

MAERSK DRILLING
Maersk Drilling owns and operates 24 rigs.

A shore-based company or branch is set up in the country where drilling takes place and is taxed locally on the income from drilling activities.

The shore-based companies pay the rig owner (Maersk Drilling Denmark or Singapore) for rent of the rig. In Denmark, Maersk Drilling pays regular corporate tax. Singapore taxes rigs according to a regime similar to the tonnage tax regime applied in shipping. The rental payment on several of the rigs is also taxed in the countries where they are located.

Total tax charge in 2016: USD 3m

MAERSK SUPPLY SERVICE
Maersk Supply Service is a worldwide owner and operator of supply ships. The taxation of the supply activities follows the local and national regulations in the country of operation. In addition, the ship-owning companies are subject to tax similar to Maersk Line.

Total tax charge (income) in 2016: USD 24m

Specialpris 1
– Gode eksempler fra ikke-nominerede

Novo Nordisk

- God og afbalanceret omtale af skattepolitik i noterne og uddybet på hjemmesiden
- Omtaler arbejdet med overenskomster med myndigheder i væsentlige lande
- Omtaler særlige forhold, der har skattepåvirkning
- Gode notespecifikationer bl.a. med omtale af usikre skattepositioner.

2.6 INCOME TAXES AND DEFERRED INCOME TAXES

INCOME TAXES

Accounting policies

The tax expense for the period comprises current and deferred tax and interest on tax cases ongoing or settled during the year, including adjustments to previous years and changes in provision for uncertain tax positions. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in Equity or Other comprehensive income.

Ongoing tax disputes, primarily related to transfer pricing cases, are included as part of Deferred tax assets, Tax receivables and Tax payables.

Management judgement regarding recognition of deferred income tax assets and provision for uncertain tax positions

Novo Nordisk is subject to income taxes around the world. Significant judgement and estimates are required in determining the worldwide accrual for income taxes, deferred income tax assets and liabilities, and provision for uncertain tax positions.

Novo Nordisk recognises deferred income tax assets if it is probable that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management has considered future taxable income and used judgement in assessing whether deferred income tax assets should be recognised.

In the course of conducting business globally, tax and transfer pricing disputes with tax authorities may occur, and Management judgement is applied to assess the possible outcome of such disputes. The most probable outcome is used as the measurement method, and Novo Nordisk believes that the provision made for uncertain tax positions not yet settled with local tax authorities is adequate. However, the actual obligation may deviate and is dependent on the result of litigations and settlements with the relevant tax authorities.

Tax approach

Novo Nordisk's tax approach is to pursue a competitive tax level in a responsible way. This means paying tax in jurisdictions where business activity generates profits. As a general rule, Novo Nordisk subsidiaries pay corporate taxes in the countries in which they operate. 'Competitive tax level' implies achieving a tax level around the peer-group average. 'Responsible way' implies doing business in a way that meets expectations of a good corporate citizen. This means paying taxes where profits are earned in accordance with international transfer pricing rules. It means having a balanced tax risk profile and not engaging in tax-avoidance activities. Accordingly, a well-established subsidiary of Novo Nordisk will, in general, pay taxes in the country in which it operates.

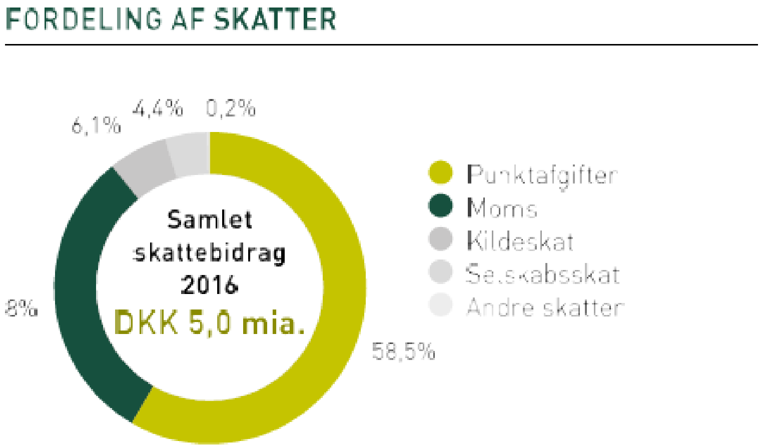
Advance pricing agreements

To create certainty regarding tax payments, Novo Nordisk has applied for so-called advance pricing agreements (APAs) in key countries. An APA is an up-front agreement between the tax authorities in two (or more) countries, covering the pricing methodologies for relevant intercompany transactions, thereby determining the taxable income for the countries in question. An APA typically covers a future period of five tax years. Novo Nordisk's APA programme currently covers the USA and Japan.

Specialpris 1
– *Gode eksempler fra ikke-nominerede*

Royal Unibrew

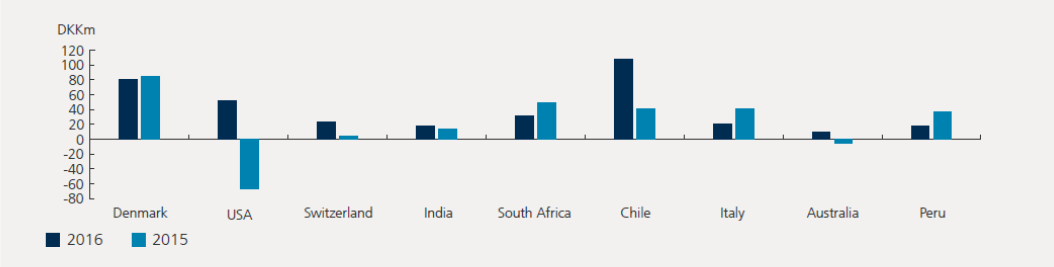
- Kort og præcis beskrivelse af skattepolitikker i ledelsesberetning
- Oversigt over fordeling af skatter
- Afbalanceret beskrivelse i forhold til virksomheden.



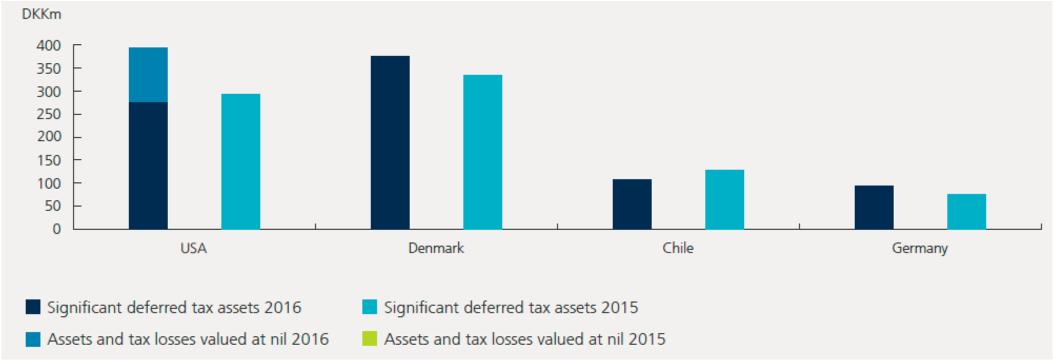
Specialpris 1
– *Gode eksempler fra ikke-nominerede*

Tax (continued)

Corporate income tax paid in 2016 amounts to DKK 441m (2015: DKK 338m) of which the main part is attributable to Group companies in the following countries:



Besides corporate income tax, the activities of the Group generate sales taxes, custom duties, personal income taxes paid by the employees, etc.



FLSmidth

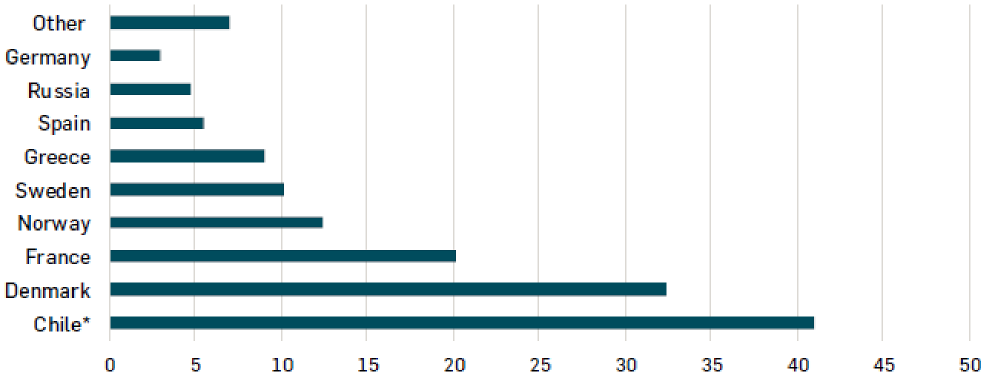
- Oversigt over fordeling af betalte skatter på lande
- Oversigt over fordeling af væsentlige udskudte skatteaktiver fordelt på lande.

Specialpris 1
– *Gode eksempler fra ikke-nominerede*

Schouw & Co

- Oversigt over forde-ling af betalte skatter på lande
- God omtale af verserende skatte-sag om transfer pricing forhold.

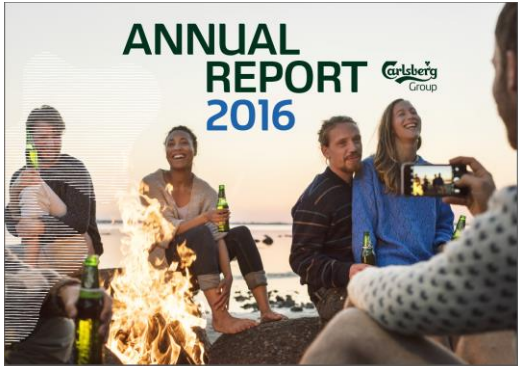
Income tax paid by country in 2016



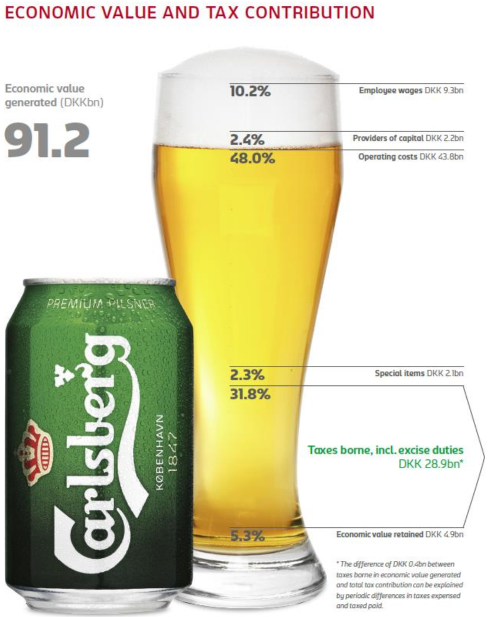
*) Exclusive of tax paid on dividends of DKK 46 million distributed in Chile.

Specialpris 1

– De tre nominerede



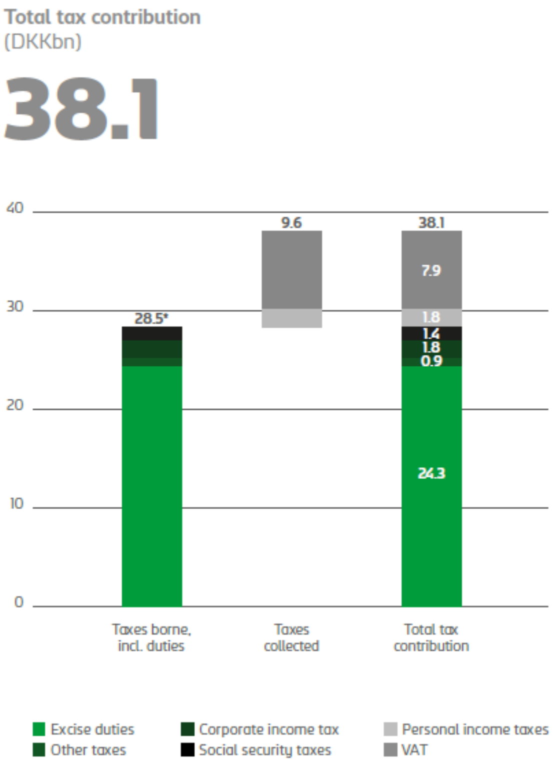
Specialpris 1
– Dommerkomiteen fremhæver



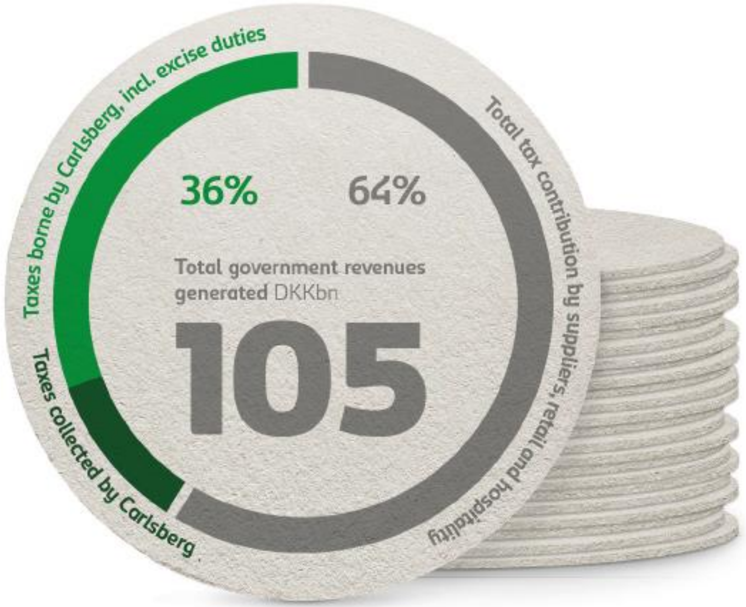
Carlsberg

- Særskilt notesektion med skat
- Gode noter med detaljerede, informative oplysninger og kommentering
  - Særlige begrundelser for udskudt skat
- Særskilt værdi- og bidragsrapport med omtale af
  - Skattepolitik, -strategi og -betalinger
  - Uddybende kommentering af noter i årsrapporten
  - Totale provenu Carlsberg bidrager med.

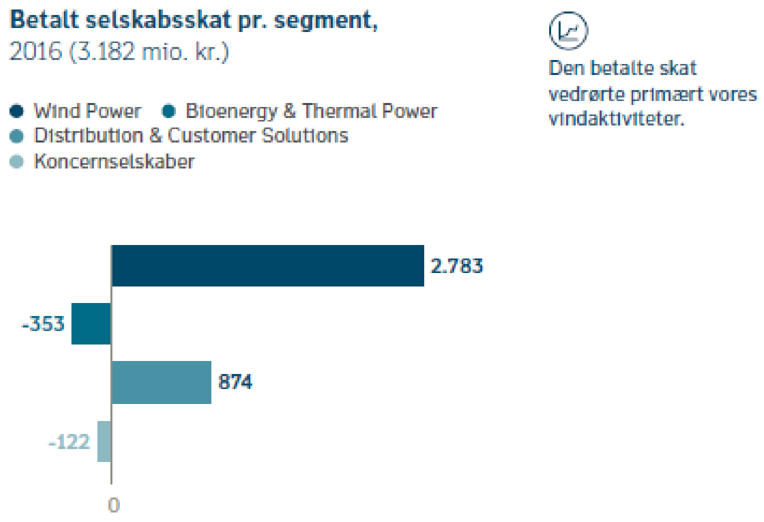
Specialpris 1
– Dommerkomiteen fremhæver



The economic value generated by the Carlsberg Group is distributed among our stakeholders. Our total tax contribution includes both taxes borne and taxes collected, and amounts to 36% of the total government revenues generated directly and indirectly as a result of the Carlsberg Group's operations.



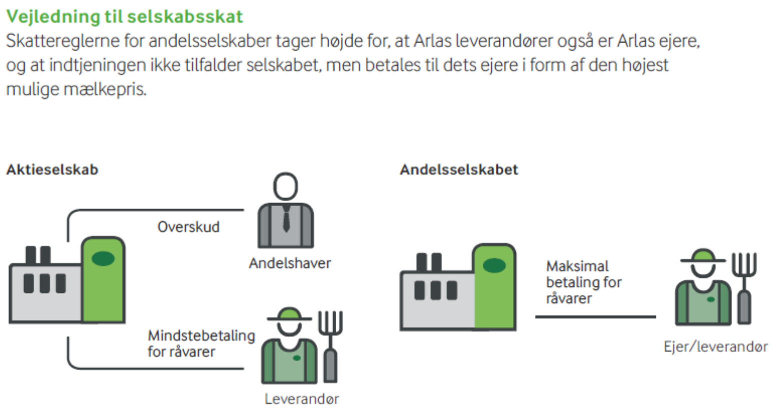
Specialpris 1
– *Dommerkomiteen fremhæver*



DONG Energy

- Skattepolitik kort omtalt under risici
- Særskilt notesektion om skat med gode uddybende beskrivelser og specifikationer
- Omfattende beskrivelse af skattepolitik i noterne
- Særskilt rapport på hjemmeside med uddybende beskrivelse af skattepolitik og strategi.

Specialpris 1
– *Dommerkomiteen fremhæver*



Arla

- Skatteforhold og skattepolitik er beskrevet enkelt, kort og præcist
- Skattestatus som andelsselskab forklares på en let forståelig måde
- Passende omtale og kommentering i noterne.

Specialpris 1
– *Paneldebat*

- Partner Torben Johansen, FSR

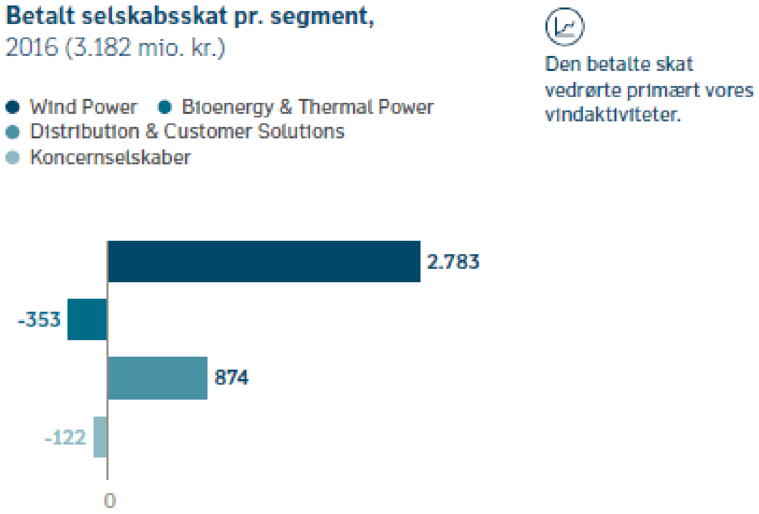
- Tax Specialist Michael Fønsmark, Arla
- Vice President Group Tax Carsten Melgaard, Carlsberg
- Vice President Jeppe Hoff Nielsen, DONG

Specialpris 1
– 5 anbefalinger til at tage med hjem

- Vær konkret og præcis i beskrivelse af politik og strategi
- Beskriv let tilgængeligt for et kompliceret område
- Undgå standardiserede tekster, vær virksomhedsspecifik i beskrivelserne
- Behandl skattepolitik i årsrapporten, men gerne med link til uddybende rapport på hjemmeside
- Angiv gode forklarende noter med informative illustrationer

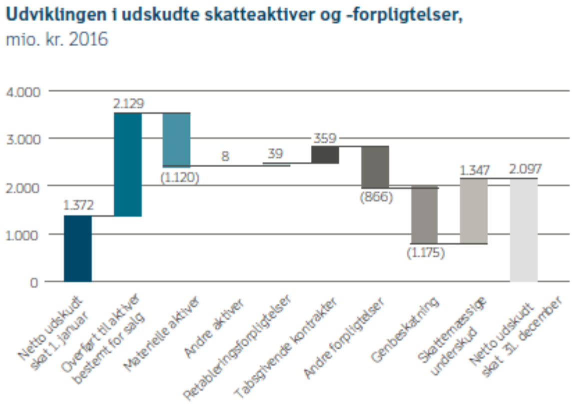
Vinder af Specialpris 1

Specialpris 1 ”Vinderen”
– Dommerkomiteens begrundelse



- Detaljeret skattenote med uddybende beskrivelse af skatte-politik og -strategi
  - Forskellige beskatningsformer er fint beskrevet
- Uddybende notat på hjemmesiden giver godt indblik i skattepolitik, link fra årsrapport
- Betalte skatter og udskudt skat pr. forretningsenhed.

Specialpris 1 ”Vinderen”
– Dommerkomiteens begrundelse



Som følge af det forventede salg af vores Oil & Gas segment er koncernens udskudte skatteaktiver reduceret med 2.129 mio. kr.

- Teknisk flot note med detaljerede specifikationer
  - God kommentering og forklaring i noten af væsentlige forhold
  - Gode illustrationer, der giver overblik
- Angivelse af praksis for usikre skattepositioner
- Beskriver konkret påvirkning af skattesager.

Specialpris 1 ”Vinderen”

– *Dommerkomiteens begrundelse*

5.4 Udskudt skat

Udskudt skat 2016 (mio. kr.)	Wind Power	Bioenergy & Thermal Power	Distribution & Customer Solutions	Andre aktiviteter/ elimineringer	**Udskudt skat pr. 31. december**
Udskudt skat, aktiver	548	420	25	(905)	88
Udskudt skat, passiver	1.065	231	584	305	2.185
Ikke indregnede skatteaktiver	209	11	308	-	528

Udskudt skat 2015 (mio. kr.)					
Udskudt skat, aktiver	143	681	56	(606)	274
Udskudt skat, passiver	1.677	224	221	(476)	1.646
Ikke indregnede skatteaktiver	177	1	276	-	454

Tabellen viser afstemningen af den udskudte skat til balancen fordelt på segmenter.

Ikke indregnede skatteaktiver omfatter de fortsættende aktiviteter. Der henvises til note 3.7 for en beskrivelse af ikke indregnede skatteaktiver vedrørende Oil & Gas segmentet.

Specialpris 1 ”Vinderen”
– *Dommerkomiteens begrundelse*

- En skattenote, der sammen med notat på hjemmesiden kommer rigtig godt omkring skattepolitik og skatteforhold

Årsrapportprisen 2017

Specialpris 2

OCI poster og særlige poster

Jens Houe Thomsen, Jyske Bank gennemgår dommerkomiteens begrundelser og motivering

Specialpris 2
– OCI poster og særlige poster

Motivering for emnet

- En række virksomheder har væsentlige poster præsenteret i anden totalindkomst (OCI)
- Øget brug af særlige poster i resultatopgørelsen
  - Antal justeringer er steget med 56% fra 2009 til 2014
- Posterne kan have væsentlig betydning for bedømmelse af årets resultat
  - Non-GAAP indtjening 22% højere end GAAP indtjening
  - Aktiekursen reagerer på non-GAAP indtjening.

Specialpris 2
– OCI poster og særlige poster

Motivering for emnet

- Forskel på justeringer – nogle er bedre end andre til at forudsige fremtidige indtjeningsproblemer. SEC fremhæver ”overdrevet fokus på non-GAAP” som et rødt flag i forhold til earnings management
- Der er internationalt fokus på behandling af særlige poster

  (Bl.a. IASB diskussionsoplæg om ”Disclosure”).

Specialpris 2
– *OCI poster og særlige poster*

Hvad har dommerkomiteen lagt vægt på:

- Uddybende beskrivelse og forklaring af væsentlige OCI poster og særlige poster
- Hensigtsmæssig placering af omtalen i forhold til relevans og væsentlighed
- Særlige poster bør præsenteres ud fra størrelse, art og karakter.

Specialpris 2
– *OCI poster og særlige poster*

Generelle observationer:

- Flere og flere selskaber indføjer linje for særlige poster i resultatopgørelsen
- Ikke mange virksomheder arbejder særskilt med beskrivelser af væsentlige OCI poster og særlige poster
- Store forskelle i omfang af transparens og kommentering af posterne
- Brugen og præsentationen af særlige poster er divergerende.

Specialpris 2
– *OCI poster og særlige poster*

Specifikke observationer:

- Gode specifikationer af indholdet af særlige poster
- Transparens og uddybende forklaringer særligt i noterne
- Alternativ præsentation af særlige poster under ordinære driftsposter
- Omtales ikke eller kun kort i ledelsesberetningen
- Ikke væsentligt fokus på OCI poster.

Specialpris 2
– 5 anbefalinger til at tage med hjem

- Præsentation af ”særlige poster”, hvor de hører hjemme
- Brug linjen ”særlige poster” kun til særlige poster
- Forklare væsentlige OCI poster og særlige poster – skabe transparens
- Kommentér poster i forhold til relevans og væsentlighed
- For mange særlige poster, som ikke er ”noget særligt”, forringer den oplevede resultatkvalitet.

Vinder af Specialpris 2

Specialpris 2 ”Vinderen”

– Dommerkomitéens begrundelse

- God og overskuelig præsentation af særlige poster
- Præsentation af posternes sammenhæng til driftsposter
- Særlige poster er beskrevet og forklaret tydeligt
- Kort og overskuelig forklaring af Accounting policies, accounting estimates og forklaring af indhold.

Specialpris 2 ”Vinderen”
– *Dommerkomitéens begrundelse*

2.7 Special items

Accounting policies

Special items are used in connection with the presentation of the profit or loss for the year to distinguish the consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations or investment in future activities.

Special items comprise:

- Restructuring costs, impairment costs etc. relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals.
- Transaction and restructuring costs relating to acquisition and divestment of enterprises.

Significant accounting estimates

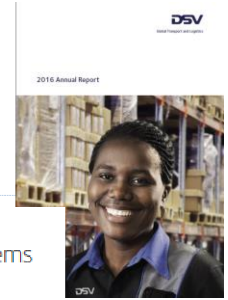
In the classification of special items, a high level of Management attention is applied to ensure that only exceptional items not associated with the ordinary operations of the Group are included.

Special items

Special items for the year predominantly relate to the UTi acquisition and break down as follows:

(DKKm)	2016	2015
Restructuring costs relating to the acquisition of UTi	658	-
Impairment and other costs relating to reorganisations	268	3
Transaction costs relating to the acquisition of UTi	76	55
Special items, costs	**1,002**	**58**

Specialpris 2 ”Vinderen”
– Dommerkomitéens begrundelse



Special items reconciliation
Special items reconcile to the income statement line items as follows:

(DKKm)	2016 Reported income statement	2016 Special items	2016 Adjusted income statement	2015 Reported income statement	2015 Special items	2015 Adjusted income statement
Net revenue	67,747		67,747	50,869	-	50,869
Direct costs	51,909	103	52,012	39,668	-	39,668
Gross profit	**15,838**	**(103)**	**15,735**	**11,201**	**-**	**11,201**
Other external expenses	3,307	243	3,550	2,149	3	2,152
Staff costs	8,281	440	8,721	5,477	-	5,477
Operating profit before amortisation and depreciation	**4,250**	**(786)**	**3,464**	**3,575**	**(3)**	**3,572**
Amortisation and depreciation of intangibles, property, plant and equipment	775	216	991	525	-	525
Operating profit	**3,475**	**(1,002)**	**2,473**	**3,050**	**(3)**	**3,047**
Special items, costs	1,002	(1,002)	-	58	(58)	-
Financial income	222	-	222	47	-	47
Financial expenses	406	-	406	350	55	405
Profit before tax	**2,289**	**-**	**2,289**	**2,689**	**-**	**2,689**

Årsrapportprisen 2017

Specialpris 3

Forventninger til fremtiden

Jens Houe Thomsen, Jyske Bank præsenterer de nominerede selskaber

Ordstyrer: Kristian Koktvedgaard, DI

Specialpris 3
– *Forventninger til fremtiden*

Motivering for emnet

- Information om forventet udviklingstrend er væsentlig for bedømmelse af virksomheden
- Indblik i de strategiske overvejelser og planer, virksomheden arbejder med på det økonomiske plan
- Mulighed for analyse af forventet udvikling på et oplyst grundlag
- Øget gennemsigtighed i forventet økonomisk udvikling på lidt længere sigt.

Specialpris 3
– *Forventninger til fremtiden*

Hvad har dommerkomiteen lagt vægt på:

- Beskrivelser, der perspektiverer strategiske overvejelser og planer, herunder forventet udvikling i branchen
- Omtale af evt. forventet virkning af væsentlige og radikale ændringer i virksomheden eller branchen
- Beskrivelse af forventninger for såvel det kommende år som på lidt længere sigt.

Specialpris 3
– *Forventninger til fremtiden*

Hvad har dommerkomiteen lagt vægt på:

- Beskrivelse af konkret forventet økonomisk udvikling mere end beskrivelse af overordnet strategi
- Beskrivelserne er relateret til væsentlige hoved- og nøgletal.

Specialpris 3
– *Forventninger til fremtiden*

Generelle observationer:

- Mange beskriver overordnede strategiske tiltag for både det kommende år og på lidt længere sigt
- Beskrivelse af forventet påvirkning af udvikling i markedet og branchen
- Omtale af forventet økonomisk udvikling for det kommende år, men kun få beskriver forventet økonomisk udvikling på lidt længere sigt.

Specialpris 3
– *Forventninger til fremtiden*

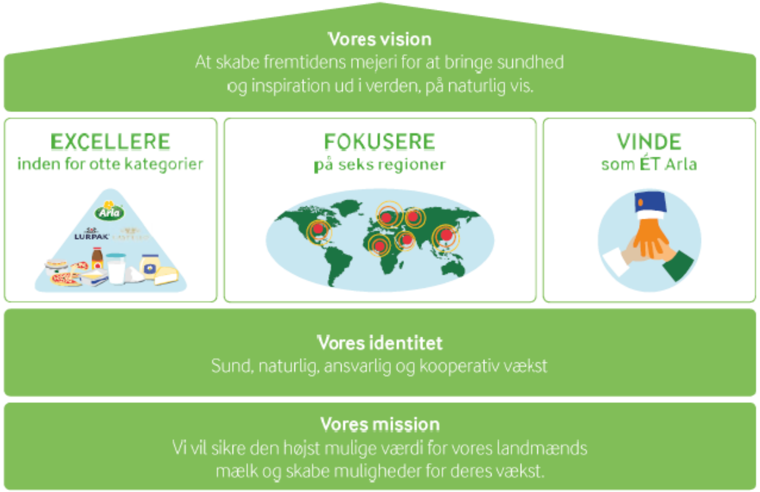
Generelle observationer:

- Ofte rapporteres kun på ganske få nøgletal
- Beskrivelser på et noget overordnet niveau uden større detaljeringsgrad
- Flere oplysninger om forudsætninger
- Visse har god sammenhæng med strategi
- Visse oplyser om forventninger for ikke-finansielle forhold.

Specialpris 3
– Gode eksempler fra ikke-nominerede

Arla

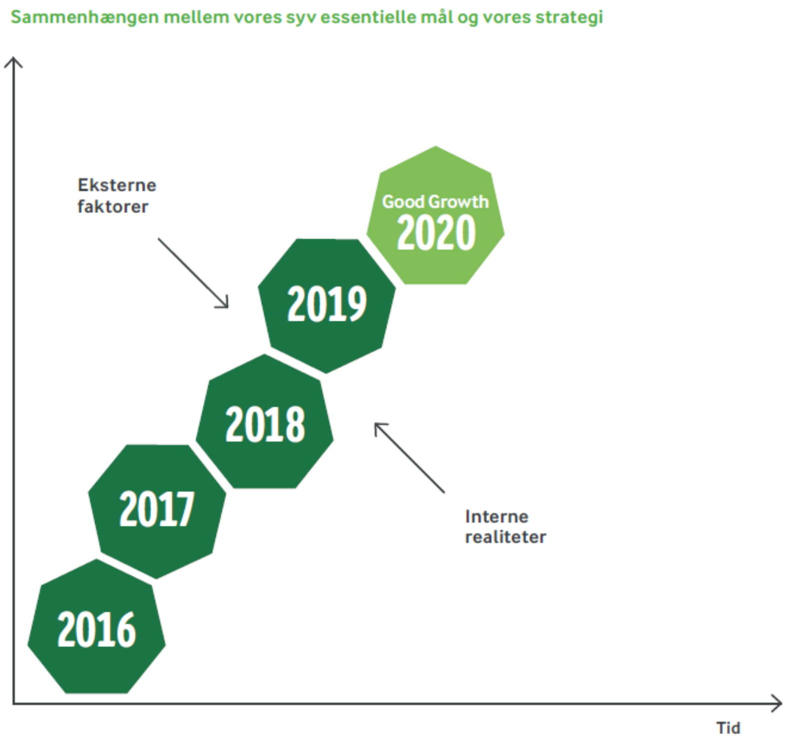
- Uddybende omtale af forvent-ninger frem mod 2020
- God sammenhæng mellem strategi, aktiviteter og økonomiske forventninger
- Er konkret i beskrivelse af:
  - Strategiske målsætninger
  - Forventet udvikling i marked og efterspørgsel
  - Udvikling i produktsammen-sætning.



Specialpris 3
– *Gode eksempler fra ikke-nominerede*

Arla

- Fokus på 7 essentielle mål
- Uddybning af finansielle forventninger på en række nøgletal
- Kunne med fordel have haft finansielle forventninger på nøgletal på længere sigt.



Specialpris 3
– Gode eksempler fra ikke-nominerede

DSV

- Forventet udvikling på nøgletal, både på kort og langt sigt
- Forholder sig konkret positivt til udfordringer i markedet og muligheder for DSV
- Fokus på væsentlighed, kort og præcis beskrivelse
- Forventninger ligeledes beskrevet for segmenterne.

Long-term financial targets

DSV total	Target	Actual 2016
Operating margin	7%	5.1%
Conversion ratio	30%	21.9%
ROIC	25%	21.5%

Air & Sea	Target	Actual 2016
Operating margin	7-8%	6.7%
Conversion ratio	35%	25.7%
ROIC	25%	23.5%

Road	Target	Actual 2016
Operating margin	5%	3.7%
Conversion ratio	25%	20.6%
ROIC (minimum)	25%	35.8%

Solutions	Target	Actual 2016
Operating margin	6%	4.0%
Conversion ratio	25%	14.7%
ROIC	20%	14.0%

Specialpris 3
– Gode eksempler fra ikke-nominerede

Royal Unibrew

- Udførlig beskrivelse af forvent-ninger til markedet pr. segment
- God sammenhæng i forventninger til markedet og forventninger til egen udvikling
- Rød tråd mellem strategi og forventningerne til fremtiden
- Beskrivelse af finansielle forudsæt-ninger ud over angivne nøgletal.

Specialpris 3

– *Gode eksempler fra ikke-nominerede*

FLSmidth

- Forventninger til økonomiske nøgletal både for kommende år og på lang sigt
- Uddybende beskrivelse af forventet markedsudvikling pr. segment
- Beskrivelse af langsigtet mål pr. segment.

LONG-TERM FINANCIAL TARGETS

The long-term financial targets for the FLSmidth Group remain unchanged:

Annual growth in revenue	Above market average
EBITA margin	10-13%
ROCE	>20%
Financial gearing (NIBD/EBITDA)	<2
Equity ratio	>30%
Pay-out ratio	30-50% of the profit for the year

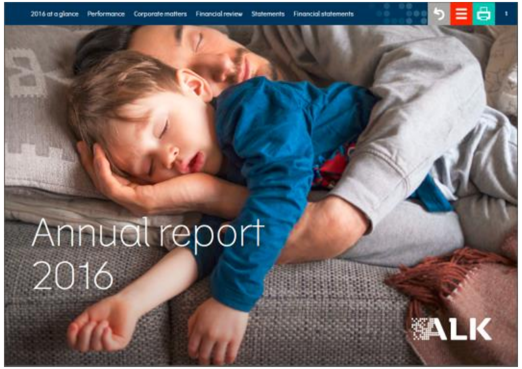
The long-term financial targets by division remain unchanged:

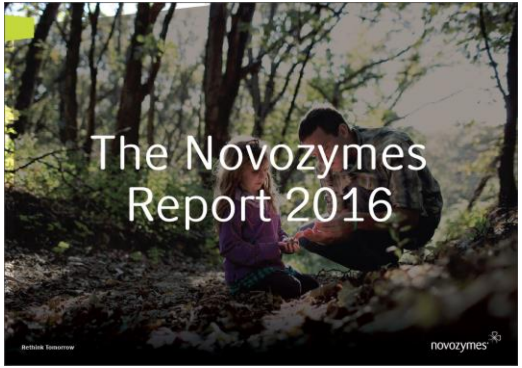
	Growth (over the cycle)	EBITA%	Net working capital (as pct. of revenue)
Customer Services	5-10%	>15%	15-20%
Products Companies	5-10%	12-15%	~15%
Minerals	5-6%	3-8%	Negative
Cement	3-5%	3-8%	Negative

Please see pages 34-41 for more information about the divisional long-term targets.

Specialpris 3

– De tre nominerede





Specialpris 3
– *Dommerkomiteen fremhæver*

Financial outlook

DKK	2016 actuals	2017 outlook	Comments
Revenue	3.0 billion	DKK 2.8-3.0 billion	Declining EU sales; increasing sales in North America and International markets. Forecast includes effect of recent US acquisition
Gross margin	67%	↓	Changing product mix and increasing fixed cost of production
Sales & marketing expenses	893 million	↑	Significant growth investments in North America and in market-shaping and expansion activities
Administrative expenses	198 million	↑	North American build-up and IT support for Product Supply. New CEO sign-on
R&D expenses	385 million	↑	Two Phase III clinical trials, life-cycle management activities and additional resources for North American build-up
EBITDA	642 million	~300 million	
CAPEX	204 million	DKK 350-400 million	Accelerated investments in capacity expansion and supply chain robustness
Free cash flow	201 million	Down to minus DKK 500 million	Reflecting larger CAPEX programme and significant business investments (incl. recent acquisitions and continued inventory build up) and relatively high tax payments
Proposed dividend	51 million	51 million	The Board of Directors proposes to the Annual General Meeting that an ordinary dividend of DKK 5 be paid out for the 2016 financial year

ALK

- Oversigt med en række nøgletal og kommentering
- Kommentering på det kommende år og på lidt længere sigt
- Begrundede forventninger til nøgletal
- Rød tråd fra strategi til forventninger til fremtid
- Kunne med fordel have dækket EBIT og årets resultat.

Specialpris 3
– *Dommerkomiteen fremhæver*

OUTLOOK 2017

The current expectations for 2017 are summarised in the table below:

EXPECTATIONS ARE AS REPORTED, IF NOT OTHERWISE STATED	EXPECTATIONS 2 FEBRUARY 2017
Sales growth	
• in local currencies	–1% to 4%
• as reported	Around 2 percentage points higher
Operating profit growth	
• in local currencies	–2% to 3%
• as reported	Around 2 percentage points higher
Net financials	Loss of around DKK 2.4 billion
Effective tax rate	21%–23%
Capital expenditure	Around DKK 10.0 billion
Depreciation, amortisation and impairment losses	Around DKK 3.0 billion
Free cash flow	DKK 29–33 billion

Novo Nordisk

- Indledende oversigt med forventninger på en række nøgletal
- Uddybende beskrivelser på en række nøgletalsområder
- Forventninger til produkter og udvikling på USA marked
- Understøttes af oplysninger om strategi og situation på USA marked.

Specialpris 3

– *Dommerkomiteen fremhæver*

Outlook for 2017

	2016 realized	2017 outlook
Sales growth, organic	2%	2-5%
Sales growth, DKK	1%	3-6%
EBIT growth	2%	3-6%
EBIT margin	27.9%	~28%
Net profit growth	8%	2-5%
Net investments excl. acquisitions, DKKbn	1.2	1.7-1.9
Free cash flow before acquisitions, DKKbn	2.7	2.0-2.2
ROIC (including goodwill)	25.1%	24-25%
Avg. USD/DKK	673	696

Sustainability outlook

Environment	2016 realized	2017 target	2020 target
Estimated reduction in CO2 emissions through our customers' application of our products, in million tons	69	≥ 72	100
Water efficiency*	6%	4%	25%
Energy efficiency*	10%	7%	30%
CO2 intensity*	16%	9%	25%
Renewable energy	24%	24%	30%
Other			
Customer satisfaction	45	≥ 35	n/a
Medal class rating from RobecoSAM**	Silver	Medal	Gold
People			
Occupational accidents***	2.2	≤ 2.0	≤ 1.0
Employee absence	2.0%	≤ 2.0%	≤ 2.0%
Directors or higher who are women		≥ 25%	≥ 30%

Novozymes

- Uddybende beskrivel-se af forventninger til omsætning pr. seg-ment og indtjening
- Udførlig beskrivelse af 4 key risk områder for 2017
- Angivelse af forvent-ninger på en række finansielle **og** ikke-finansielle nøgletal.

Specialpris 3
– Paneldebat

- Jens Houe Thomsen, Jyske Bank
  Moderator

- CFO Flemming Pedersen, ALK-Abello
- Corporate Vice President Henrik Parker, Novo Nordisk
- Senior Manager Jens Breitenstein, Novozymes

Specialpris 3
– 6 anbefalinger til at tage med hjem

- Vær konkret i begrundelsen af forventninger til fremtiden
- Kommentering på alle relevante hoved- og nøgletal
- Kommentering på økonomiske forventninger længere frem end det kommende år
- Sammenholde markeds- og brancheforventninger til virksomhedens forventninger
- Sammenhæng med strategi
- Beskrivelse af forudsætninger

Vinder af Specialpris 3

Specialpris 3 ”Vinderen”

– *Dommerkomitéens begrundelse*

Financial outlook

DKK	2016 actuals	2017 outlook	Comments
Revenue	3.0 billion	DKK 2.8-3.0 billion	Declining EU sales; increasing sales in North America and International markets. Forecast includes effect of recent US acquisition
Gross margin	67%	↓	Changing product mix and increasing fixed cost of production
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Free cash flow	201 million	Down to minus DKK 500 million	Reflecting larger CAPEX programme and significant business investments (incl. recent acquisitions and continued inventory build up) and relatively high tax payments
Proposed dividend	51 million	51 million	The Board of Directors proposes to the Annual General Meeting that an ordinary dividend of DKK 5 be paid out for the 2016 financial year

- Omtale af forventninger til såvel det kommende år som på længere sigt
- Detaljeret omtale af tiltag med forventet beløb
- Oversigt med en række nøgletal og kommentering heraf
- Forventninger med begrundelser pr. segment
- God sammenhæng mellem strategi og forventninger til fremtiden
- Kort og præcis omtale af væsentlige forhold

Årsrapportprisen 2017

Årsrapportprisen

Torben Johansen, FSR præsenterer de nominerede selskaber

Årsrapportprisen 2017
– *Processen*

- 130 selskaber er gennemgået
- Blandt de nominerede finder dommerkomiteen en vinder af en samlet Årsrapportpris
- Årsrapportprisen går på hele årsrapporten og ikke kun de områder, der er omfattet af specialpriserne.

Årsrapportprisen 2017
– Generelle observationer

- Generelt et meget højt niveau i årsrapporterne
- Overordnet ikke revolutionerende ændringer
- Mange, også mindre og mellemstore virksomheder arbejder med udviklingen af årsrapporten med gode og interessante elementer til inspiration
- Fortsat arbejde med præsentationer i noterne, herunder
    - Kommentering af notens oplysninger
    - Gruppering af noter med brug af resume og illustrationer.

Årsrapportprisen 2017
– Generelle observationer

- Informative ledelsesberetninger med fokus på væsentlighed og brug af hjemmeside til fx lovkrævede beretninger
- Flere selskaber eksperimenterer med yderligere uddybende eller lettere tilgængelige rapporter på hjemmesiden.

Årsrapportprisen 2017
– Anbefalinger til fortsat udvikling

Der kan med fordel arbejdes med:

- Ledelsesberetningen – fokus på det relevante og væsentlige for det konkrete regnskabsår
- Kortere omtaler i ledelsesberetningen suppleres med uddybende beretninger på hjemmesiden
- Lette sammenhæng mellem årsrapporten og beretninger på hjemmesiden
- Eksperimentere med alternative præsentationer i såvel noter som ledelsesberetning, herunder brug af hjemmesiden.

Årsrapportprisen 2017 - **FLSmidth**
– Gode eksempler fra ikke-nominerede

CHAPTER 1
SIGNIFICANT ACCOUNTING ESTIMATES

Significant accounting estimates and assessments by Management

The preparation of the Annual Report requires that Management makes accounting estimates, assumptions and judgments to complex areas of accounting that can have a significant effect on the amounts recognized in the consolidated financial statements when applying the Group's accounting policies. As a consequence of the complex nature and the significant effect to the report, these areas have high attention of the Management through-out the year.

		Certainty of the estimates and assessments
Revenue in work-in-progress for third parties	Estimates regarding revenue when applying the percentage of completion method are associated with a high degree of uncertainty due to the complex nature of the project and the parameters that are part of the assessment. Total expected costs related to work-in-progress for third parties are partly based on estimates, as they include provisions for unforeseen cost deviation and future warranty claims. Furthermore, major projects are executed in parts of the world where macro-economic and political factors could materially impact the estimates and subsequently the recognition of revenue. **Mitigation:** Management and highly skilled key personnel are performing continues evaluation of estimates based on direct supervision of each project. The evaluation is done taking all contractual obligations into account combined with cross-functional support from the entire group.	■■■■
Trade receivables	Estimates are applied when management determines the level of receivables recoverbility. **Mitigation:** Management analyses trade receivables individually on an ongoing basis including: • Evaluation of the customer's ability to pay • Ageing of the receivable • Possibility to offset assets against accounts receivables • Access to other securities	■■□□
Provisions	Estimates are applied determining the need of provisions including assessment of project related risks, warranty claims and legal cases. **Mitigation:** Provisions for warranty claims are estimated on a project-by-project basis based on historical realised cost related to claims in the past. The provision covers estimated own costs of completion, subsequent warranty supplies and unsettled claims from customers or subcontractors. Provisions regarding disputes and lawsuits are based on Management's assessment of the likely outcome settling the cases based on the information at hand at the balance sheet date. The cost of loss-making projects covering projects expected to result in a loss, are assessed by Management and highly skilled key personnel.	■■■■
Inventories	Estimates are applied in assessing net realisable values of inventories. **Mitigation:** Management assessment of net reliable value of inventories is performed items by item including: • Test for slow moving inventory • Test for aging of inventory • Assessment of expected market (pricing and market potential) • Assessment of strategic inventory items	■■□□

■□□□ Very limited impact from management assumptions and judgements
■■□□ Limited impact from management assumptions and judgements
■■■□ Impact from management assumptions and judgements
■■■■ High impact from management assumptions and judgements

- Fortsat udvikling af struktur og gruppering i noter og brug af illustrationer
- Læsevenlig årsrapport, sprogligt og visuelt
- God fokus på beskrivelse af forretningsområder, herunder Q4 tal og fremtidige mål
- Kapitel, hvor graden af påvirkning af regnskabsmæssige skøn er angivet.

Årsrapportprisen 2017
– Gode eksempler fra ikke-nominerede

Quarterly financial highlights*

	2016				2015			
(DKKm)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Income statement (DKKm)								
Net revenue	15,319	17,606	17,205	17,617	12,601	13,127	12,535	12,606
Gross profit	3,607	4,214	4,019	3,998	2,682	2,887	2,802	2,830
Gross profit growth**	34%	46%	43%	41%				
EBIT before special items	643	900	1,003	929	641	809	851	749
EBIT growth**	-%	11%	18%	24%				
Special items, costs	370	341	155	136	-	-	-	58
Net financial expenses	(46)	104	85	41	72	99	78	54
Profit before tax	319	455	763	752	569	710	773	637
Profit for the period	233	333	552	560	427	533	578	520
Gross margin	23.5%	23.9%	23.4%	22.7%	21.3%	22.0%	22.4%	22.4%
Operating margin	4.2%	5.1%	5.8%	5.3%	5.1%	6.2%	6.8%	5.9%
Conversion ratio	17.8%	21.4%	25.0%	23.2%	23.9%	28.0%	30.4%	26.5%
Balance sheet (DKKm)								
Net working capital	1,111	1,422	1,869	1,518	454	503	496	22
Net interest-bearing debt	9,232	8,750	8,561	8,299	6,088	5,313	5,177	(546)
Segment information								
Air & Sea								
Net revenue	7,055	8,416	8,282	8,347	5,421	5,703	5,379	5,182
Gross profit	1,877	2,308	2,123	2,030	1,226	1,352	1,367	1,346
Gross profit growth**	53%	71%	55%	51%				
EBIT before special items	414	534	626	569	388	502	541	492
EBIT growth**	7%	6%	16%	16%				
Gross margin	26.6%	27.4%	25.6%	24.3%	22.6%	23.7%	25.4%	26.0%
Operating margin	5.9%	6.3%	7.6%	6.8%	7.2%	8.8%	10.1%	9.5%
Conversion ratio	22.1%	23.1%	29.5%	28.0%	31.6%	37.1%	39.6%	36.6%
Road								
Net revenue	6,688	7,368	7,111	7,156	6,122	6,298	6,044	6,254
Gross profit	1,257	1,359	1,247	1,231	1,132	1,183	1,078	1,104
Gross profit growth**	11%	15%	16%	12%				
EBIT before special items	219	310	290	230	220	259	242	197
EBIT growth**	-%	20%	20%	17%				
Gross margin	18.8%	18.4%	17.5%	17.2%	18.5%	18.8%	17.8%	17.7%
Operating margin	3.3%	4.2%	4.1%	3.2%	3.6%	4.1%	4.0%	3.2%
Conversion ratio	17.4%	22.8%	23.3%	18.7%	19.4%	21.9%	22.4%	17.8%
Solutions								
Net revenue	2,043	2,406	2,492	2,742	1,440	1,500	1,476	1,544
Gross profit	536	669	684	727	330	358	359	373
Gross profit growth**	62%	87%	91%	95%				
EBIT before special items	47	90	105	142	36	68	75	63
EBIT growth**	31%	32%	40%	125%				
Gross margin	26.2%	27.8%	27.4%	26.5%	22.9%	23.9%	24.3%	24.2%
Operating margin	2.3%	3.7%	4.2%	5.2%	2.5%	4.5%	5.1%	4.1%
Conversion ratio	8.8%	13.5%	15.4%	19.5%	10.9%	19.0%	20.9%	16.9%

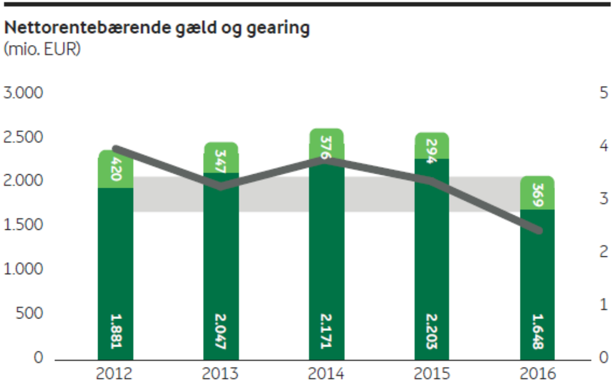
*) For a definition of the financial highlights, please refer to page 81

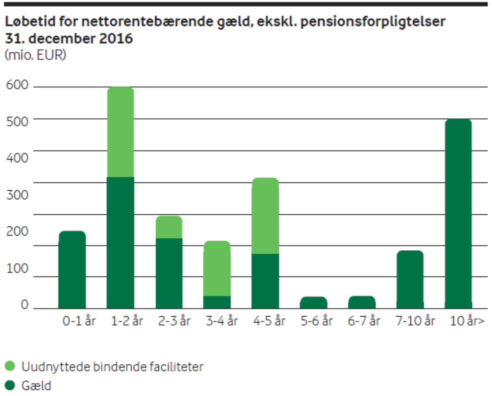
**) Growth including acquisitions and currency translation adjustments

DSV

- God og passende beskrivelse af integrationen af stort tilkøb
- Beskrivelse af hvordan ny teknologi forventes at påvirke branchen, og hvordan DSV vil agere
- Udvikling i regnskabsberetning, bl.a. med Q1 – Q4 hoved- og nøgletal.

Årsrapportprisen 2017
– *Gode eksempler fra ikke-nominerede*





Arla

- God og læsevenlig årsrapport
- Spændende beskrivelse af strategi og fokusområder
- Flot understøttet af illustrationer i både beretning og noter
- Note om rentebærende gæld er let tilgængelig på et vanskeligt område med gode illustrationer.

Årsrapportprisen 2017
– *Gode eksempler fra ikke-nominerede*

Novozymes

- ”Big picture” giver et godt overblik, inkl. sustainability performance
- Segmentbeskrivelser er opstillet i overskueligt skemaform
- Resultatopgørelse, balance og pengestrømsopgørelse indledes med kommentering af udviklingen

Household Care

	Current trends	Growth drivers	Growth barriers	Our management approach
Macro trends	**Shifting demographics and urbanization**	• Demand for better-performing products in emerging markets • Growing demand for antibacterial and hygiene solutions for laundry	• Middle-class consumers' ability to differentiate brand performance • Competition putting pressure on detergent prices	Lead innovation Focus on opportunities
	Energy transition	• Growing demand for energy-efficient solutions (washing at low temperatures and with low environmental footprint)	• Sustained low surfactant prices reducing adoption of high-performance enzymes	Focus on opportunities Rally for change
	Water scarcity	• Demand to clean more with less water	• Low price of water	Focus on opportunities
Industry trends	**Stronger consumer preference for convenience and cleanliness**	• Opportunity to work on new solutions and formats (liquids, unit dose compaction, hygiene, etc.)	• Technology development in liquids and new formats needed to address rapid shifts in consumer preferences • Initial customer perception that compaction and washing at low temperatures are less effective	Lead innovation
	Customer consolidation	• Stronger partners with greater reach providing potential for increased sales of Novozymes' solutions	• Stronger partners potentially having more bargaining power	Focus on opportunities
	Commodity price volatility driving cost-based optimization of detergent formulations	• Growing customer focus on ensuring supply chains and sourcing raw materials from renewable sources	• Focus on cost optimization potentially making certain customers opt for lower enzyme levels, resulting in reduced wash performance	Focus on opportunities

Årsrapportprisen 2017
– *Gode eksempler fra ikke-nominerede*

Key sustainability performance

CO_2 emission reduction

30,000,000

Read more in Note 7.1 Climate change

In 2016, our customers avoided an estimated 69 million tons of CO_2 emissions by applying Novozymes' products. The savings achieved are equivalent to taking approximately 30 million cars off the road.

Employee satisfaction

"Satisfaction and motivation" score in annual employee survey

2016 realized

76

2016 target

≥ 75

Water efficiency

6%

Water efficiency improved by 6% compared with the base year 2014. This improvement was less than our target of 12%. This was due to higher than expected water consumption as well as challenges in the system for water reuse in Denmark. The increased water consumption together with the slower-than-expected development in gross profit affected water efficiency performance.
See Note 7.3.

Energy efficiency

10%

Energy efficiency improved by 10% compared with 2014. This improvement was less than our target of 18%. This was caused by operational challenges in Novozymes' fermentation facilities and higher than expected energy consumption. The increased energy consumption together with the slower-than-expected development in gross profit affected energy efficiency performance.
See Note 7.2.

Frequency of occupational accidents

2.2

The frequency of **occupational accidents** decreased to 2.2 per million working hours in 2016 from 2.5 in 2015. However, this achievement was below our target of ≤ 1.7. Many accidents involved trips and falls, and some were due to mobile device distractions. Several new initiatives with focus on safety improvements were undertaken in 2016.
See Note 8.2.

Key figures

	2016 realized	2016 target	2017 target
Estimated reduction in CO_2 emissions through our customers' application of our products, in million tons	69	63	≥ 72
Water efficiency*	6%	12%	4%
Energy efficiency*	10%	18%	7%
CO_2 intensity*	16%	20%	9%
Renewable energy	24%	24%	24%
Satisfaction and motivation**	76	≥ 75	
Opportunities for professional and personal development**	79	≥ 75	
Occupational accidents***	2.2	≤ 1.7	≤ 2.0
Employees promoted who are women	36%	≥ 40%	
Employee absence	2.0%	≤ 2.0%	≤ 2.0%
RobecoSAM class rating****	Silver	Medal	Medal

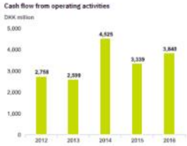
* Efficiency/intensity is measured by dividing net consumption by gross profit. The improvement is calculated as the relative improvement in efficiency/intensity compared with the base year 2014.
** Score in annual employee survey.
*** Per million working hours.
**** The distribution of medals will be announced in RobecoSAM's Sustainability Yearbook on Jan. 19, 2017. We expect silver.

RobecoSAM class rating Silver

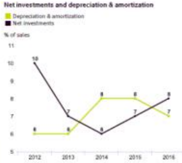
Read more in Accounts & performance

Cash flow

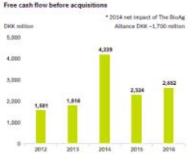
Cash flow from operating activities
Cash flow from operating activities was DKK 3,840 million, up from DKK 3,339 million in 2015, primarily due to higher net profit.



Net investments
Net investments excluding acquisitions were DKK 1,188 million, up from DKK 1,015 million in 2015. Net investments in property, plant and equipment amounted to DKK 1,048 million, compared with DKK 952 million in 2015. The increase is related to the purchase of land for the new innovation campus in Denmark.



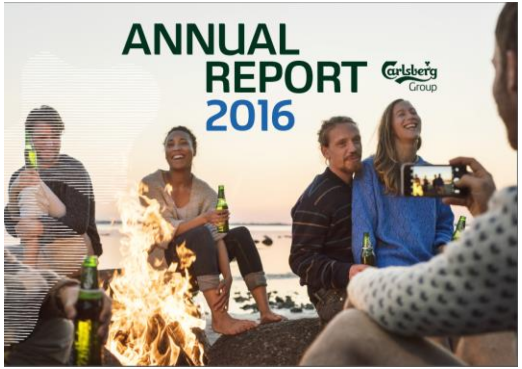
Free cash flow before acquisitions
Free cash flow before acquisitions was DKK 2,652 million, compared with DKK 2,324 million in 2015. The increase is primarily due to higher net profit. Free cash flow was DKK 2,491 million in 2016, compared with DKK 2,082 million in 2015. The acquisition of Organobalance GmbH impacted free cash flow by DKK 146 million in 2016.

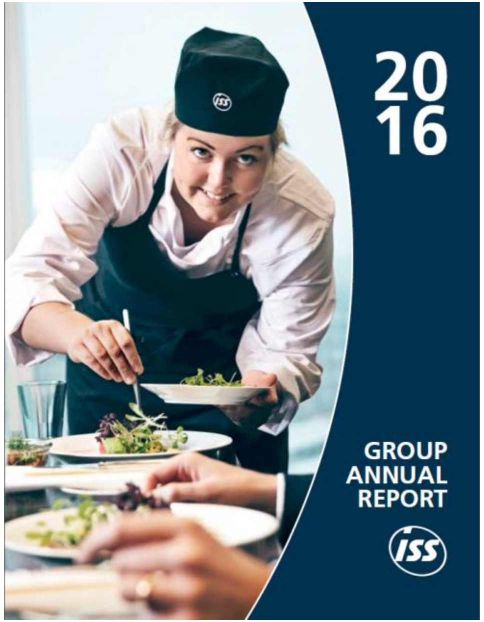


Financing activities
Cash flow from financing activities was negative at DKK 2,484 million, compared with a negative cash flow of DKK 3,681 million in 2015. The negative cash flow from financing activities was mainly due to completion of the stock buyback program and dividend payments.

Cash position
Cash and cash equivalents at December 31, 2016, amounted to DKK 805 million, up from DKK 796 million at year-end 2015. Undrawn committed credit facilities were DKK 3,500 million at December 31, 2016.

Årsrapportprisen 2017
– De tre nominerede





Årsrapportprisen 2017
– *Dommerkomiteen fremhæver*

Carlsberg

- Godt og informativt indledende sammendrag
- Afbalanceret brug af illustrationer giver overblik
- Ny strategi beskrives uddybende og med god sammenhæng til de øvrige dele
- Gældsnote er informativ, og valutas indflydelse fremgår klart.

Årsrapportprisen 2017
– Dommerkomiteen fremhæver

BUSINESS MODEL

An efficient business model

The aim of SAIL'22 is to make the Carlsberg Group a successful, professional and attractive business in our markets. Our business model seeks to support this by ensuring a sustainable and cost-efficient value chain – from the sourcing of raw materials all the way through to the consumers enjoying our great beers.

Sourcing
Global sourcing is handled by our central procurement function, which is responsible for buying all the ingredients and equipment necessary for producing and selling our beer.

Brewing & bottling
For the most part, brewing and bottling are carried out in the local markets. To ensure optimal capacity utilisation and processes, the overall responsibility lies with the central supply chain function.

Distribution
Our distribution varies between markets. We optimise warehouse networks and transportation flows to deliver beer to our customers in the most efficient and environmentally friendly manner.

Customers
We want to be the preferred supplier of our many customers in both the on-trade and off-trade across our markets. Consequently, ensuring quality, impact and efficiency of execution is a priority of SAIL'22.

Consumers
We serve consumers in more than 150 markets worldwide. We cater to their different preferences by offering attractive portfolios of core beer, craft & speciality beer and non-alcoholic beer.

SAIL'22

Setting sail

Our new strategy, SAIL'22, was launched in March 2016 with the ambition to make the Carlsberg Group a successful, professional and attractive brewer in our markets: successful by delivering sustainable organic top- and bottom-line growth; professional by being the preferred supplier of our customers; and attractive by delivering value for shareholders, employees and society.

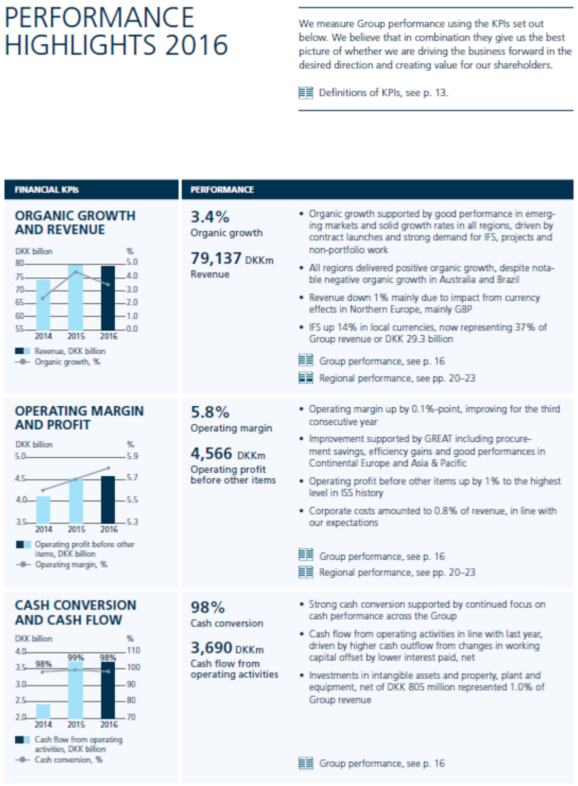
SAIL'22 was co-developed by the top leadership team in the Group in order to leverage the Company's vast knowledge base, support a team-based culture and secure a fast implementation.

Our strategic choices
The key strategic choices of SAIL'22 are grouped under the headings "Strengthen the core", "Position for growth" and "Create a winning culture". Achieving strong results within these choices will enable us to deliver enhanced value for our shareholders. You can read more about SAIL'22 on the following pages.

STRENGTHEN THE CORE	POSITION FOR GROWTH	DELIVER VALUE FOR SHAREHOLDERS
Leverage our strongholds	Win in growing categories	Organic growth in operating profit
Excel in execution	Target big cities	ROIC improvement
Funding the Journey	Grow in Asia	Optimal capital allocation

CREATE A WINNING CULTURE

Årsrapportprisen 2017
– *Dommerkomiteen fremhæver*



PERFORMANCE HIGHLIGHTS 2016

We measure Group performance using the KPIs set out below. We believe that in combination they give us the best picture of whether we are driving the business forward in the desired direction and creating value for our shareholders.

Definitions of KPIs, see p. 13.

FINANCIAL KPIs	PERFORMANCE	
ORGANIC GROWTH AND REVENUE DKK billion / % Revenue, DKK billion Organic growth, %	3.4% Organic growth 79,137 DKKm Revenue	• Organic growth supported by good performance in emerging markets and solid growth rates in all regions, driven by contract launches and strong demand for IFS, projects and non-portfolio work • All regions delivered positive organic growth, despite notable negative organic growth in Australia and Brazil • Revenue down 1% mainly due to impact from currency effects in Northern Europe, mainly GBP • IFS up 14% in local currencies, now representing 37% of Group revenue or DKK 29.3 billion Group performance, see p. 16 Regional performance, see pp. 20–23
OPERATING MARGIN AND PROFIT DKK billion / % Operating profit before other items, DKK billion Operating margin, %	5.8% Operating margin 4,566 DKKm Operating profit before other items	• Operating margin up by 0.1%-point, improving for the third consecutive year • Improvement supported by GREAT including procurement savings, efficiency gains and good performances in Continental Europe and Asia & Pacific • Operating profit before other items up by 1% to the highest level in ISS history • Corporate costs amounted to 0.8% of revenue, in line with our expectations Group performance, see p. 16 Regional performance, see pp. 20–23
CASH CONVERSION AND CASH FLOW DKK billion / % Cash flow from operating activities, DKK billion Cash conversion, %	98% Cash conversion 3,690 DKKm Cash flow from operating activities	• Strong cash conversion supported by continued focus on cash performance across the Group • Cash flow from operating activities in line with last year, driven by higher cash outflow from changes in working capital offset by lower interest paid, net • Investments in intangible assets and property, plant and equipment, net of DKK 805 million represented 1.0% of Group revenue Group performance, see p. 16

ISS

- Flot og detaljeret årsrapport
- God indledning bl.a. med fokus på udvikling i KPI'er og spændende beskrivelse af forretningsmodel
- Fortsat udvikling af noter, ny grafik
    - Indledende forside til hver notesektion
    - Brug af illustrationer
    - Udvidet kommentering i noterne.

Årsrapportprisen 2017

– *Dommerkomiteen fremhæver*

CAPITAL STRUCTURE

SECTION 5

Since the IPO in March 2014 on the back of the 2013 financial statements, our capital structure has undergone significant change. From an equity ratio of 8.7%, financial leverage of 4.5x and net financial expenses of around DKK 2.3 billion, our financial position today is significantly strengthened – and at a more steady and sustainable level.

We wish to maintain a strong and efficient balance sheet and to strike an optimal balance between reinvesting capital back into our business and returning surplus funds to our shareholders.

Our objective is to maintain an investment grade financial profile with a financial leverage below 2.5x pro forma adjusted EBITDA, taking seasonality into account. At 31 December 2016, financial leverage was 2.1x (2015: 2.1x).

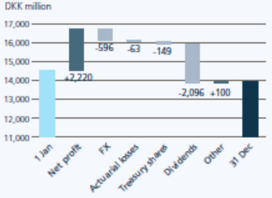
At 31 December 2016, equity ratio was 28.5% (2015: 29.4%) and net debt was slightly reduced to DKK 10,977 million (2015: 11,115 million) as a result of our continued focus on reducing our debt. Financial income and expenses, net arrived at DKK 486 million, down DKK 223 million from 2015.

We have a diversified funding through the combination of bank debt and bonds, and with rates fixed at attractive levels on a significant proportion of the debt. Furthermore, we have no short-term maturities.

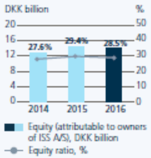
In this section:

EQUITY

13,920 DKKm
(2015: 14,504 DKKm)



EQUITY RATIO



NET DEBT

10,977 DKKm
(2015: 11,115 DKKm)

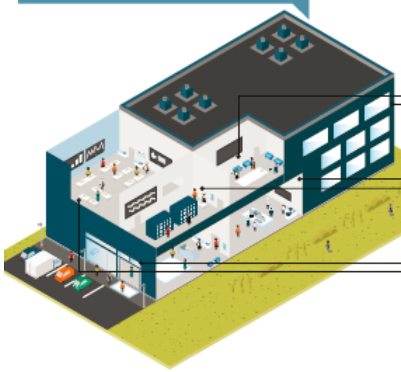
FINANCIAL INCOME AND EXPENSES, NET

486 DKKm
(2015: 709 DKKm)

OUR BUSINESS MODEL

CUSTOMERS WANT

- TO **FOCUS** ON THEIR CORE BUSINESS
- TO **ENSURE COMPLIANCE**
- TO **SAFEGUARD** THEIR BUSINESS
- TO **MAXIMISE UPTIME** OF THEIR FACILITIES
- TO **MANAGE RISK**
- TO **PROTECT THE VALUE** OF THEIR ASSETS
- **CONVENIENCE** AND CONSISTENCY
- SUSTAINABLE/TRANSPARENT **COST SAVINGS**
- END-USER **SATISFACTION**



Our business model is based on **creating value for our customers** by allowing them to focus on their core business. We service and maintain their facilities, helping to create workplaces that are pleasant, safe and nurturing for their employees and visitors.

Focusing on our **selected customer segments**, we offer a leading value proposition based on our philosophy of providing services through our own engaged and capable employees **(self-performance)**. Moreover, we are able to provide multiple services to customers through an **Integrated Facility Services (IFS)** solution. This allows us to drive convenience (one point of contact), productivity and cost efficiency.

Our business model and strategy, see p. 28

ISS DELIVERS VIA

PEOPLE	PROCESSES	TECHNOLOGY

SELF–DELIVERY OF SERVICES
INTEGRATION OF SERVICES
STRATEGIC PARTNERSHIPS

Årsrapportprisen 2017
– *Dommerkomiteen fremhæver*

Novo Nordisk

- Arbejder med integreret rapport sammen med den finansielle årsrapport
- Uddybende og informativ beret-ning, hvor der er arbejdet med væsentlighed og anderledes prioritering
- Oversigtsskema med primære risici
- Gode informative noter med kommentering og illustrationer, herunder notegruppe om salg.

Årsrapportprisen 2017

– *Dommerkomiteen fremhæver*

NOVO NORDISK'S KEY RISKS

	DELAYS OR FAILURE OF PRODUCTS IN PIPELINE	SUPPLY DISRUPTIONS	COMPETITION AND MARKET DEVELOPMENTS	COMPROMISES TO PRODUCT QUALITY AND SAFETY
WHAT IS THE RISK?	The development of a product candidate can take more than 10 years and may be delayed, or even abandoned, at substantial expense. The process involves non-clinical tests and clinical trials, commercial product planning and regulatory approval, including approval of the production facilities.	Failures or delays may occur at production sites or throughout the extensive global supply chain, relating to procurement of ingredients and components as well as distribution of products.	Governments and private payers take measures to limit spending on medicines by driving down prices, demanding higher rebates and restricting access to and reimbursement of new products. In some markets, political instability, conflict or weak enforcement of the rule of law may affect sales. At any time, established or new competitors may bring new products to market, leading to increased competition.	Product quality and safety may be compromised if, for example, a production facility is found to be in non-compliance, a product is not within specifications or if side effects that were not detected in clinical trials become apparent when a product is used for a longer period of time.
WHAT IS THE IMPACT?	Patients would not benefit from innovative treatments and Novo Nordisk's future position as a leader could be jeopardised if the company is unable to bring innovative products to market. Any delays or failures of new products could have an adverse impact on sales, profits and market position.	Pharmacies and hospitals could face product shortages, with potential implications for patients' daily treatment needs, if Novo Nordisk is prevented from supplying products to markets. This could be due to breakdowns or quality failures at company sites or at key suppliers' production facilities.	Patients would not have access to the clinical benefits of new products if Novo Nordisk is prevented from launching new products due to reimbursement restrictions. Lower average prices are expected in the US. In other markets, prices could also come under pressure, while newer products could be niched for use in narrow sub-populations.	Patients' health and lives could be put at risk and Novo Nordisk's reputation and licence to operate could be damaged if regulatory compliance is not ensured.
WHAT ACTIONS ARE TAKEN?	Insights into patients' unmet needs inform the selection of new product candidates. Clinical trials are run to demonstrate safety and efficacy. Assessments of commercial viability determine progress through stage gates. Consultations are held with regulators to review clinical findings and obtain guidance on clinical programmes. See more on pp 20–21 and 24–25.	Annual inspections by regulatory authorities document GMP compliance, and alternative supply sites for critical raw materials and back-up facilities are in place for key production plants and safety inventories, to prevent and respond to accidents or other disruptions to supplies. Global production reduces supply risks. See more on p 103.	Clinical trial data demonstrate the added value of new products. Real-world evidence is introduced to show health economic benefits. Negotiations with payers aim to ensure patients' access to the clinical benefits of new products. See more on pp 32–35 and 36–39.	A robust quality management system, improvement plans and systematic senior management reviews are in place. Authority inspections and internal quality audits are conducted at sites. When issues are found with production processes or marketed products, root causes are identified and corrected and, if necessary, products are recalled. See more on pp 46–49 and 103.

SECTION 2 RESULTS FOR THE YEAR

Basis of preparation | **Results for the year** | Operating assets and liabilities | Capital structure and financing items | Other disclosures

This section comprises notes related to the results for the year and hence provides information related to Novo Nordisk's long-term financial target for growth in operating profit. Operating profit decreased by 2% in 2016 (increase of 43% in 2015).

Sales increased by 4% driven by market share gain in selected markets, underlying market volume growth and changes in product mix, for example upgrade to next-generation products such as new-generation insulin and GLP-1. The global net impact of pricing has been moderately negative across the portfolio in 2016. Hence, the overall growth in local currency net sales is related to volume growth and changes in product mix rather than changes in price.

Operating profit in 2015 was positively affected by the divestment of NNIT A/S, explaining the decrease from 2015 to 2016. Further, the development reflects a modest increase in sales countered by a negative currency impact and increased research and development costs related to pipeline activities and build-up of research sites in the USA.

The article '2016 performance and 2017 outlook' on p 6 includes Management's review of the results for the year, which is not part of the audited financial statements.

Pricing mechanisms in the US market

In the USA, significant sales rebates are paid in connection with public healthcare insurance programmes, namely Medicare and Medicaid, as well as rebates to pharmacy benefits managers (PBMs) and managed healthcare plans.

Key customers in the USA include private payers, PBMs and government payers. Increasingly, PBMs and managed healthcare plans play a key role in negotiating price concessions with drug manufacturers on behalf of private payers for both the commercial and government channels, and determining the list of drugs covered by the health plans' formularies. Specifically, there are two primary drivers:

- Payer pressure to reduce the overall drug costs has resulted in greater focus on negotiating higher rebates from drug manufacturers. Private payers are increasingly keen to adopt narrow formularies that exclude certain drugs, while securing higher rebates from the preferred brand.
- Recent industry consolidation among payers has led to increasing pricing pressure for pharmaceutical companies.

In 2016, payers have continued to leverage their size and influence to demand higher rebates. Moreover, actions by companies in the diabetes care market to increase list prices have been limited, and the introduction of new products by competitors has further increased the downward pressure on prices.

US HEALTH INSURANCE 2016

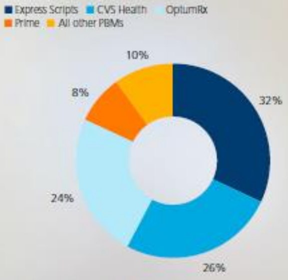
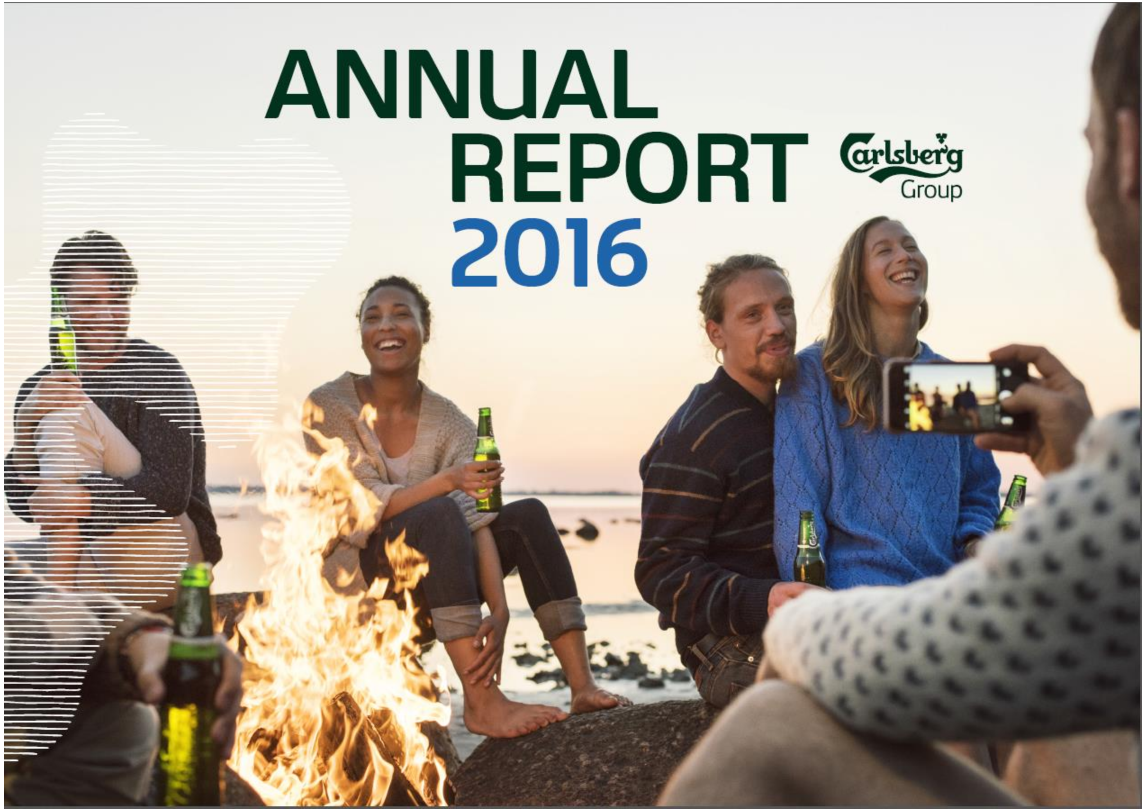


Chart represents percentage of insured lives
PBM: Pharmacy Benefit Manager
Source: Health Strategies Group (www.healthstrategies.com)

Årsrapportprisen

Kent Damsgaard, vicedirektør, DI
Charlotte Jepsen, adm. direktør, FSR

Vinder af Årsrapportprisen 2017



Årsrapportprisen 2017 ”Vinderen” – *Dommerkomiteen fremhæver*

- Virkelig flot og informativ årsrapport med mange spændende detaljer.
- Flot layout i såvel beretning som regnskabsdel.
- Godt understøttet af illustrationer, der giver overblik
  - Har fået en bedre balance i forhold til indhold.
- Detaljerede informative noter med god kommentering og grupperet efter væsentlighed.
- Detaljeret omtale af ny strategi og beskrivelse af forretningsmodel.

Årsrapportprisen 2017 ”Vinderen”
– *Dommerkomiteen fremhæver*

- Godt indledende sammendrag. Giver overblik.
- Der er i beretningen arbejdet med væsentlighed og andre fokusområder i forhold til tidligere år.
- God omtale af skattepolitik og gode skattenoter med detaljerede, informative oplysninger og kommentering.
- Særskilt rapport på hjemmesiden om Economic contribution inkl. skattepolitik.
- God sammenhæng mellem beretning og regnskabsdelen.

Årsrapportprisen 2017 ”Vinderen”
– Dommerkomiteen anbefaler

Anbefalinger, der kan arbejdes videre med

- Omtale af ledelsesforhold og vederlag kan med fordel forkortes og evt. uddybes på hjemmesiden
- Omtale af forventninger til fremtiden
- Links i årsrapporten til hjemmesidens uddybende rapporter.

Vinder af Årsrapportprisen 2017

Carlsberg Group

Vi ses den 30. august 2018