

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2016	2015
CONSOLIDATED INCOME STATEMENT			
Revenue	2.1, 2.2	20,281	16,737
Cost of sales	2.3	-5,058	-4,544
Gross profit		15,223	12,193
Sales, distribution and marketing expenses	2.3	-5,838	-4,722
Administrative expenses	2.3	-1,981	-1,657
Operating profit	2.2	7,404	5,814
Finance income	4.6	328	84
Finance costs	4.6	-82	-553
Profit before tax		7,650	5,345
Income tax expense	2.5	-1,625	-1,671
Net profit for the year		6,025	3,674
Earnings per share, basic (DKK)	4.2	52.8	30.9
Earnings per share, diluted (DKK)	4.2	52.5	30.7
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Net profit for the year		6,025	3,674
Other comprehensive income:			
Items that may be reclassified to profit/loss for the year			
Exchange rate adjustments of investments in subsidiaries		121	249
Commodity hedging instruments:			
- Realised in cost of sales		-	-9
- Realised in net financials		-21	23
- Realised in inventories		-145	183
- Fair value adjustments		144	-193
Foreign exchange hedging instruments:			
- Realised in net financials		-167	175
- Fair value adjustments		236	-156
Tax on other comprehensive income, hedging instruments, income/expense	2.5	-10	22
Other comprehensive income, net of tax		158	294
Total comprehensive income for the year		6,183	3,968

CONSOLIDATED BALANCE SHEET

AT 31 DECEMBER

DKK million	Notes	2016	2015
ASSETS			
Goodwill		2,571	2,424
Brand		1,057	1,057
Distribution network		184	216
Distribution rights		1,061	1,069
Other intangible assets		893	683
Total intangible assets	3.1	5,766	5,449
Property, plant and equipment	3.2	1,767	1,237
Deferred tax assets	2.5	946	879
Other financial assets		250	159
Total non-current assets		8,729	7,724
Inventories	3.3	2,729	2,357
Derivative financial instruments	4.5	161	65
Trade receivables	3.4	1,673	1,360
Income tax receivable		142	113
Other receivables		754	803
Cash	4.3	897	889
Total current assets		6,356	5,587
Total assets		15,085	13,311
EQUITY AND LIABILITIES			
Share capital	4.1	117	122
Treasury shares		-4,334	-4,152
Reserves		1,181	1,023
Dividend proposed		1,007	1,511
Retained earnings		8,823	7,635
Total equity		6,794	6,139
Provisions	3.5	101	97
Loans and borrowings	4.3, 4.4	3,008	2,350
Deferred tax liabilities	2.5	393	394
Other payables		393	249
Total non-current liabilities		3,895	3,090
Provisions	3.5	1,004	971
Loans and borrowings	4.3, 4.4	3	257
Derivative financial instruments	4.4, 4.5	256	214
Trade payables	4.4	1,622	1,329
Income tax payable		547	306
Other payables		964	1,005
Total current liabilities		4,396	4,082
Total liabilities		8,291	7,172
Total equity and liabilities		15,085	13,311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	Share capital	Share premium	Treasury shares	Translation reserve	Hedging reserve	Dividend proposed	Retained earnings	Total equity
2016									
Equity at 1 January		122	-	-4,152	1,134	-111	1,511	7,635	6,139
Net profit for the year		-	-	-	-	-	-	6,025	6,025
Exchange rate adjustments of investments in subsidiaries		-	-	-	121	-	-	-	121
Fair value adjustment of hedging instruments		-	-	-	-	47	-	-	47
Tax on other comprehensive income	2.5	-	-	-	-	-10	-	-	-10
Other comprehensive income, net of tax		-	-	-	121	37	-	-	158
Total comprehensive income for the year		-	-	-	121	37	-	6,025	6,183
Fair value adjustments of obligation to acquire non-controlling interests		-	-	-	-	-	-	-123	-123
Share-based payments	2.4	-	-	-	-	-	-	76	76
Share-based payments (exercised)		-	-	230	-	-	-	-229	1
Share-based payments (tax)		-	-	-	-	-	-	25	25
Purchase of treasury shares		-	-	-4,000	-	-	-	-	-4,000
Reduction of share capital		-5	-	3,588	-	-	-	-3,583	-
Dividend paid	4.2	-	-	-	-	-	-1,511	4	-1,507
Dividend proposed	4.2	-	-	-	-	-	1,007	-1,007	-
Equity at 31 December		117	-	-4,334	1,255	-74	1,007	8,823	6,794
2015									
Equity at 1 January		128	1,229	-2,679	885	-156	1,088	6,537	7,032
Net profit for the year		-	-	-	-	-	-	3,674	3,674
Exchange rate adjustments of investments in subsidiaries		-	-	-	249	-	-	-	249
Fair value adjustment of hedging instruments		-	-	-	-	23	-	-	23
Tax on other comprehensive income	2.5	-	-	-	-	22	-	-	22
Other comprehensive income, net of tax		-	-	-	249	45	-	-	294
Total comprehensive income for the year		-	-	-	249	45	-	3,674	3,968
Transfers ¹		-	-1,229	-	-	-	-	1,229	-
Share-based payments	2.4	-	-	-	-	-	-	75	75
Share-based payments (exercised)		-	-	266	-	-	-	-266	-
Share-based payments (tax)		-	-	-	-	-	-	52	52
Purchase of treasury shares		-	-	-3,900	-	-	-	-	-3,900
Reduction of share capital		-6	-	2,161	-	-	-	-2,155	-
Dividend paid	4.2	-	-	-	-	-	-1,088	-	-1,088
Dividend proposed	4.2	-	-	-	-	-	1,511	-1,511	-
Equity at 31 December		122	-	-4,152	1,134	-111	1,511	7,635	6,139

¹The 'Share premium' is a distributable reserve under Danish regulation and has therefore been transferred to 'Retained earnings' in 2015.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

DKK million	Notes	2016	2015
Profit before tax		7,650	5,345
Finance income	4.6	-328	-84
Finance costs	4.6	82	553
Depreciation, amortisation and impairment losses		518	400
Share-based payments	2.4	76	75
Change in inventories		-206	-431
Change in receivables		-327	-560
Change in payables and other liabilities		327	1,139
Other non-cash adjustments	4.7	241	-432
Interest etc. received		3	3
Interest etc. paid		-43	-104
Income taxes paid		-1,462	-2,520
Cash flows from operating activities, net		6,531	3,384
Acquisition of subsidiaries and activities, net of cash acquired	5.1	-210	-289
Divestment of businesses	5.1	-	29
Purchase of intangible assets		-344	-402
Purchase of property, plant and equipment		-825	-620
Change in other non-current assets		-75	-49
Proceeds from sale of property, plant and equipment		31	35
Cash flows from investing activities, net		-1,423	-1,296
Dividend paid	4.2	-1,507	-1,088
Purchase of treasury shares	4.1	-4,000	-3,900
Proceeds from loans and borrowings		3,777	4,658
Repayment of loans and borrowings		-3,373	-2,003
Cash flows from financing activities, net		-5,103	-2,333
Net increase/decrease in cash		5	-245
Cash at 1 January ¹		889	1,131
Exchange gains/losses on cash		3	3
Net increase/decrease in cash		5	-245
Cash at 31 December¹		897	889
Cash flows from operating activities, net		6,531	3,384
- Interest etc. received		-3	-3
- Interest etc. paid		43	104
Cash flows from investing activities, net		-1,423	-1,296
- Acquisition of subsidiaries and activities, net of cash acquired		210	289
- Divestment of businesses		-	-29
Free cash flow		5,358	2,449
Unutilised credit facilities		5,120	3,089

The above cannot be derived directly from the income statement and the balance sheet.

¹ Cash comprises cash at bank and in hand.

FIVE-YEAR FINANCIAL OVERVIEW

DKK million	2016	2015	2014	2013	2012
Consolidated income statement					
Revenue	20,281	16,737	11,942	9,010	6,652
Gross profit	15,223	12,193	8,423	5,999	4,429
Earnings before interest, tax, depreciation and amortisation (EBITDA)	7,922	6,214	4,294	2,881	1,658
Operating profit (EBIT)	7,404	5,814	4,072	2,681	1,475
Net financials	246	-469	-200	61	4
Net profit for the year	6,025	3,674	3,098	2,220	1,202
Consolidated balance sheet					
Total assets	15,085	13,311	10,556	9,275	8,414
Invested capital	9,396	8,255	6,080	5,976	5,900
Operating working capital	2,780	2,388	1,990	1,846	2,039
Net interest-bearing debt (NIBD) ¹	2,448	1,921	-1,121	-637	-183
Equity	6,794	6,139	7,032	6,462	6,038
Consolidated cash flow statement					
Net increase/decrease in cash	5	-245	431	361	165
Free cash flow	5,358	2,449	3,868	1,956	1,151
Cash conversion, %	72.4%	42.1%	95.0%	73.0%	78.0%
Growth ratios					
Revenue growth, %	21%	40%	33%	35%	0%
Gross profit growth, %	25%	45%	40%	35%	-9%
EBITDA growth, %	27%	45%	49%	74%	-27%
EBIT growth, %	27%	43%	52%	82%	-28%
Net profit growth, %	64%	19%	40%	85%	-41%
Margins					
Gross margin, %	75.1%	72.9%	70.5%	66.6%	66.6%
EBITDA margin, %	39.1%	37.1%	36.0%	32.0%	24.9%
EBIT margin, %	36.5%	34.7%	34.1%	29.8%	22.2%
Other ratios					
Effective tax rate, %	21.2%	31.3%	20.0%	19.0%	18.7%
Equity ratio, %	45.0%	46.1%	66.6%	69.7%	71.8%
NIBD to EBITDA, x	0.3	0.3	-0.3	-0.2	-0.1
Book value per share	58.04	50.20	54.89	49.66	46.40
Return on invested capital (ROIC), %	78.8%	70.4%	67.0%	44.9%	25.0%
Share information					
Number of shares	117,056,821	122,297,169	128,115,820	130,143,258	130,143,258
Nominal value, DKK	1	1	1	1	1
Share capital, DKK million	117,056,821	122,297,169	128,115,820	130,143,258	130,143,258
Treasury shares	5,130,682	6,063,915	7,216,058	3,539,023	182,925
Share options outstanding	581,252	823,567	1,382,800	1,511,585	1,108,123
Share options granted	105,665	171,678	227,555	437,228	1,009,977
Share options exercised	334,877	718,165	170,784	-	-
Dividend per share ² , DKK	9.00	13.00	9.00	6.50	5.50
Total payout ratio (incl. share buyback), %	91.5%	135.8%	104.1%	63.7%	59.5%
Earnings per share, basic, DKK	52.8	30.9	25.0	17.2	9.2
Earnings per share, diluted, DKK	52.5	30.7	24.7	17.0	9.2
Share price at year-end, DKK	924.0	872.0	504.5	294.0	124.5
Other key figures					
Capital expenditure (CAPEX), DKK million	1,199	1,109	455	490	276
Capital expenditure, tangible assets (CAPEX), DKK million	828	706	297	182	167
Store network, total number of points of sale	8,131	9,271	9,906	10,279	10,374
Store network, total number of concept stores	2,138	1,802	1,410	1,100	895
Average number of full-time employees	17,770	13,971	9,957	6,910	5,753

¹ For 2015, NIBD and consequently NIBD to EBITDA were recalculated due to reclassifications. Refer to note 4.3.

² Dividend proposed per share for 2016.