



Annual report 2016



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2016 in brief

CBS IS STRENGTHENING ITS POSITION BASED ON A NEW STRATEGY

Dear reader

These are a few insights into CBS' financial and academic results in 2016, a year in which we adopted a new strategy, which is a revision of the Business in Society strategy from 2011. The overall direction remains the same: We wish to strengthen our position as a broad, interdisciplinary business school while at the same time focusing on contributing to the development of society through research and research-based education. The Board of Directors has selected the following new transformational initiatives: entrepreneurship and innovation, CBS' programme portfolio and collaboration with the business community and society.

As mentioned in the strategy, our greatest contribution to society is research and research-based education. Seen in this light, 2016 was an impressive year in which CBS' researchers made a huge effort, which is reflected in good rankings and strong publications.

In addition to this, CBS attracted a lot of external funding. One of the main reasons for this is that private foundations and companies increasingly see the value of supporting CBS' researchers. The evaluation of the Center for Financial Frictions was excellent and meant that this basic research centre was renewed. This illustrates the high academic level of CBS' research.

When it comes to our programmes, 2016 was a unique and very successful year in which 4,379 ambitious and well-educated people graduated from CBS. This is indeed a unique historical achievement for CBS.

Our output in 2015 was 2,328 graduates – a record high at the time. We see this trend to be a result of the study progress reform as well as the measures we have taken to support a reduction of the time it takes for students to finish their studies and the resulting change in student behaviour. Students have become more goal-oriented and have really embraced recent years' political messages to finish their studies on time.

This is positive in many ways. But it could also be a worry that it might be at the expense of valuable experiences such as relevant work experience, voluntary work, entrepreneurship and periods of study abroad. We expect to get to know more about this trend in the coming years.

Other universities have witnessed a similar trend – that students take less time to finish their studies – and it may of course raise concerns about whether the labour market is able to absorb so many graduates.

However, there is nothing that indicates that Danish companies are not in want of more well-educated labour. Small and medium-sized businesses in particular have an enormous, untapped potential to increase productivity, earnings and development by hiring more academics. In addition, the rate of unemployment for our graduates is still well under the average for the entire sector.

EXTRAORDINARY NON-RECURRING INCOME

We are surprised to find that student behaviour has changed so much. The year's performance-based income from the number of passed exams, measured by reference to student FTEs, is therefore considerably higher than expected.

This extraordinary, non-recurrent income has contributed to the year's positive results of operations as well as to our overall financial basis, which is going to provide us with more room for manoeuvre in the years to come where we expect a structural decrease in government funding. The level in this respect does not measure up to our ambitions for education and research. For example, we would like to further increase the quality of our research-based programmes through more interaction between researchers and students. But our basic research funding per student FTE is the lowest among Danish universities, and we generally receive the lowest performance-based funding for our programmes.

We consider the fact that we have now for two consecutive years received an extra basic research grant of DKK 20 million a political acknowledgement that the level for basic research funding for CBS is low. In fact too low. However, this acknowledgement is not enough – CBS needs a structurally much higher and permanent increase of basic research funding in order to be able to maintain an acceptable level of quality.

This is particularly evident in the development in the number of research FTEs. Even though we also recruited new and talented researchers in 2016, we have – as expected – seen a decrease in the number of researchers in net terms. This trend is a consequence of recent years' financial adjustment plans for a future with declining income.

Even if the trend is the result of an intentional reaction to cuts in education and research in recent years, it is no secret that it hurts the staff, students and management of an ambitious research and education institution like ours.

INCREASED FOCUS ON RESEARCH FUNDING

To counteract the development in direct government funding, we have increased focus on external research funds from public, private and international sources, which means that more research activities are now being externally funded. However, we do see some challenges. For example, it will mean uncertain career prospects for young talented researchers, who will have to look for funding for their own jobs. And more specifically, Danish public research funds will be drastically slashed.

In 2016, we also saw how external research funding can result in research-ethical dilemmas that may have a huge potential impact on the reputation of a university. To be more precise, a relatively small externally funded research project generated huge public debate about the project's academic merit and research practices. In 2017, CBS will evaluate the specific, unique case in question to see if we can learn more about how to handle research-ethical dilemmas in relation to externally funded research.

2017 will be an exciting year in which we look forward to celebrating the school's 100th anniversary. The centenary emphasises why CBS is an important and resourceful university – now and in the future. Since 1917, we have contributed vital research and educational skills which help create and support the development of Danish society. Our international profile has also grown stronger, and we now have students from around the globe in most of our programmes. We will continue this development in order to support research that helps to find new answers to social change and in order to educate students who will be attractive on a labour market that increasingly will be looking for innovative qualifications.

KARSTEN DYBVAD
Chairman of the Board

PER HOLTEN-ANDERSEN
President

Management commentary

MANAGEMENT'S REVIEW

CBS' PROFILE

Copenhagen Business School (CBS) is Denmark's largest educational and research institution within business administration and economics in a wide sense. The university is committed to providing business-related education programmes and continuing education for the public and, in particular, the private sector. Programmes are based on a strong and internationally renowned research base which CBS works consistently to strengthen. CBS has a Center of Excellence, funded by the Danish National Research Foundation, and five European Research Council Grants. CBS is committed to communicating knowledge and new ideas to tomorrow's business leaders and society in general. Its

main contribution in this field is research and research-based education, and investment in research and high academic standards is therefore crucial to CBS' contribution to society.

Being a government-financed private institution, CBS receives most of its funding from the government. Government grants to the university sector mainly consist of an activity-based educational grant and a basic research grant that is, in essence, historically determined for each individual university. Slightly under two-thirds of CBS' income basis originates from educational activities.

Three key events characterised the year under review:

- 1) Revision of CBS' strategy
- 2) An extraordinary output of graduates as a result of the impact of the study progress reform and changed student behaviour
- 3) Continued financial adjustment to a declining structural level for government grants.

From a financial perspective, the year was satisfactory. In spite of an expected DKK 20 million loss, CBS reports a profit of DKK 45 million for the year under review – primarily due to an extraordinary ministerial grant of DKK 21.5 million late in the year and, not least, due to extraordinarily high performance-based funding prompted by an extraordinarily high number of master programme graduates. Thus, student FTE income in 2016 was approx. DKK 42 million higher than originally expected. The number of master programme graduates in the year was 88% up on the former record year 2015, see figure 2. It is important to point out that the income is extraordinary

due to exceptionally high student activity, which again is the result of a marked change in student behaviour in the wake of CBS' implementation of the study progress reform.

The income increase thus does not reflect a permanent, structural increase in CBS' income stemming from government grants (performance-based funding) – quite on the contrary, as such funding is expected to drop significantly in the years to come. The financial performance in the year is further detailed in the financial statements section beginning on page 31.

REVISION OF CBS' STRATEGY

A revision of CBS' strategy was completed in 2016 so that the new strategy could be implemented in January 2017.

The revision of CBS' strategy is partly a reconfirmation of CBS' Business in Society strategy from 2011, while CBS has selected three new strategic priority areas, which will be in focus in the period 2017 to 2020: entrepreneurship and innovation, the programme portfolio and collaboration with the business community and society.

These priority areas are linked to CBS' identity, mission and vision, confirming that CBS is striving to strengthen its position as a broad, interdisciplinary business school while at the same time focusing on contributing to the development of society through research and research-based education.

The three priority areas will also mean that CBS aims to give all students – regardless of which fields of studies they choose – an entrepreneurial and innovative mindset and the relevant skills that they can use and benefit from in their future career. CBS aims to position itself in – and contribute to – the entrepreneurial development in Denmark and Europe through a combination of both theoretical and practical training in entrepreneurship and innovation, approved research in the area in question, a strong working relationship with national and international stakeholders as well as well-organised and practical conditions for business start-ups.

It is CBS' goal to develop the students so that they can harness their full potential, to educate students to take responsibility for society and to develop future employees,

entrepreneurs and business leaders. CBS' programmes must live up to the highest international standards and be practical. Our ambition for our programme portfolio is partly that all courses must have a well-defined business administration basis and partly that we can create better transparency for students to make it easier for them to find out which master programmes they are entitled to take and to make the professional skills of a CBS graduate clearer for external stakeholders.

The development of research and education at CBS calls for systematic and persistent cooperation with relevant public-sector and private stakeholders. Research and education should form the basis for cooperation and partnerships with the surrounding world. One of CBS' aims is to be a leader in

lifelong learning and to establish relationships on which to base large research collaborations and lasting cooperation agreements.

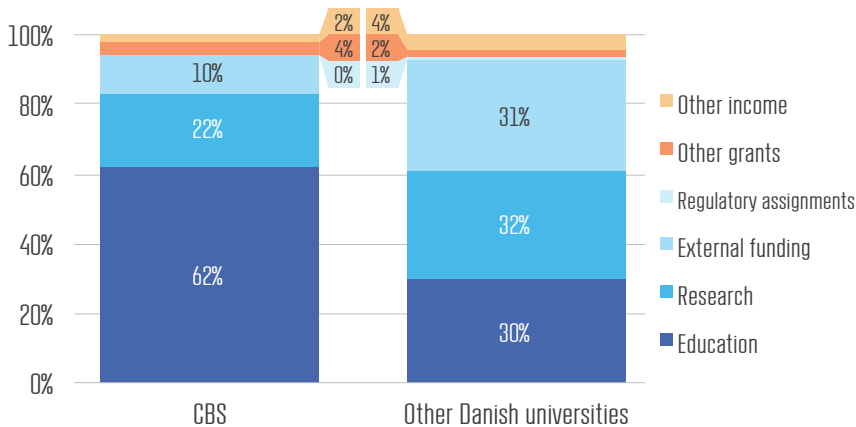
AN EXTRAORDINARY OUTPUT OF GRADUATES

Many more master theses than expected were completed in 2016. As already mentioned, this is the result of the study progress reform and changed student behaviour. CBS recently implemented a number of initiatives, some of which aim to prevent the thesis process from prolonging the time it takes the students to complete their studies. To be specific, we see that the students who have been in a master programme for many years, the so-called "loafers", to a surprising degree have submitted and passed their theses, while the other students far more often than previously have completed their exams and dissertations within or close to the prescribed time. How-

ever, CBS' performance-based funding has not been structurally improved, as it will go down to its normal level once the "bulge" of students with a long study and thesis sequence have graduated. The development appears from the forecast in figure 3, which shows that the value-added output (STÅ), which triggers the performance-based funding, is expected to peak in 2016, fall in 2017 and reach a stable and lower level from 2018 onwards.

Implementing the study progress reform initiatives and handling the increased number of graduates have called for a considerable effort on the part of many entities across CBS. Accordingly, it has been necessary to invest in extra resources for the technical-administrative staff.

Figure 1 Income resources as at 2016

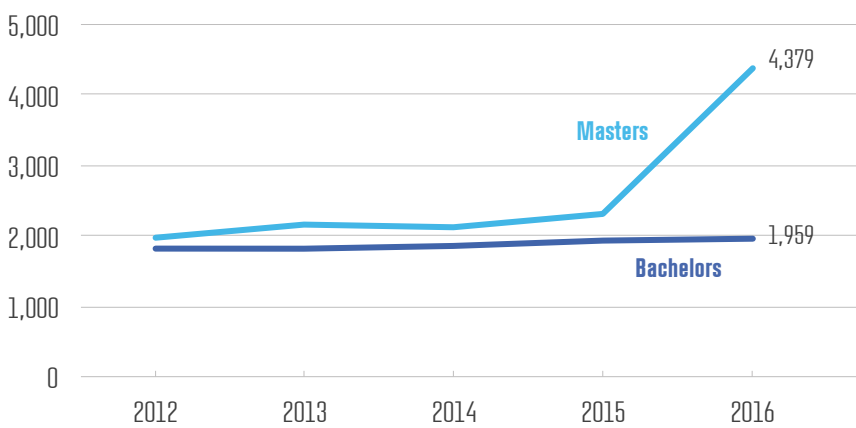


Note: The income distribution for other Danish universities is based on 2015 figures. Source: CBS and Universities Denmark

Unlike the average of other Danish universities, CBS generates most of its income from educational activities.

As educational activities accounted for 62% of CBS' total income in 2016, CBS is very dependent on this type of income. For the other Danish universities, educational activities accounted for 30% of total income in 2016.

Figure 2 Full-time programme graduates



Source: CBS

Whereas the number of bachelor programme graduates is relatively stable compared to prior years, the number of master programme graduates has grown steeply.

The reason is that CBS has made sure that a large group of older master students who were behind time graduated in academic year 2015/2016.

CONTINUED FINANCIAL ADJUSTMENT

In recent years, CBS has taken the initiative for carrying through additional cost reductions to attain an equilibrium in CBS' financial position up till 2019. In February 2015, the Senior Management announced its plan to cut costs by DKK 60 million each year from 2017 onwards. As a result, 67 employees volunteered to resign, primarily academic staff, with effect from 2016. In consequence, CBS saw a marked decrease in the number of research FTEs. Once this plan had been implemented, the Budget for 2016 was announced, including a realignment contribution, which implied an extra 2% reduction in government grants every year until 2020, representing a decrease in grants in 2010 of approx. 10%.

Particularly the reduction of the educational grant hits CBS hard. The consequences will be additional challenges relating to the proportion of teaching by researchers, higher use of large classes and non-realisation of the ambition to increase interaction between researchers and students.

To counter these challenges, a new long-term financial plan was adopted at the end of 2015. Besides cost reductions prompted by necessity and other factors, the plan means that a number of income-generating initiatives have been taken – with particular focus on target achievement relating to completion times and, hence, attainment of full progress bonus. If CBS succeeds in fulfilling the

Ministry's target relating to completion times, CBS' financial situation will balance from 2019 and onwards if the budgetary basis is sustained. However, such balance will exclusively be a required budgetary balance. The balance between CBS' ambitions in respect of research quality and research-based education and the quality which CBS is able to realise will still be under-financed. CBS receives by far the lowest performance-based funding and basic research funding per student FTE among Danish universities. This means that CBS' framework conditions to develop the university and the quality of its programmes, including the research base, are much more inferior compared to other Danish universities. Having been raised repeatedly by CBS over the past years, this issue has now also been pinpointed by the government's Expert Committee on Quality in Higher Education in its report entitled "High ambitions – excellent teaching in higher education" from November 2014. The following appears from the report:

"It is particularly remarkable that total education and research grants per student FTE at CBS are at the same level or below the level of six out of nine business academies, which are not required to offer research-based education."

EXTRAORDINARY EFFICIENCY-ENHANCING GRANT

In 2015, CBS received an extraordinary grant for efficiency enhancement measures. CBS prioritised the initiation of a number of

programme administration projects. The extraordinary grant has funded an evaluation of CBS' timetables and exam planning and follow-up analysis of a few select key processes within this area. The aim was to improve the support of a number of central processes within programme administration – including approval of contracts and planning of defences in the thesis processes – thereby improving task efficiency, service and quality.

NEW UNIT: CBS BUSINESS

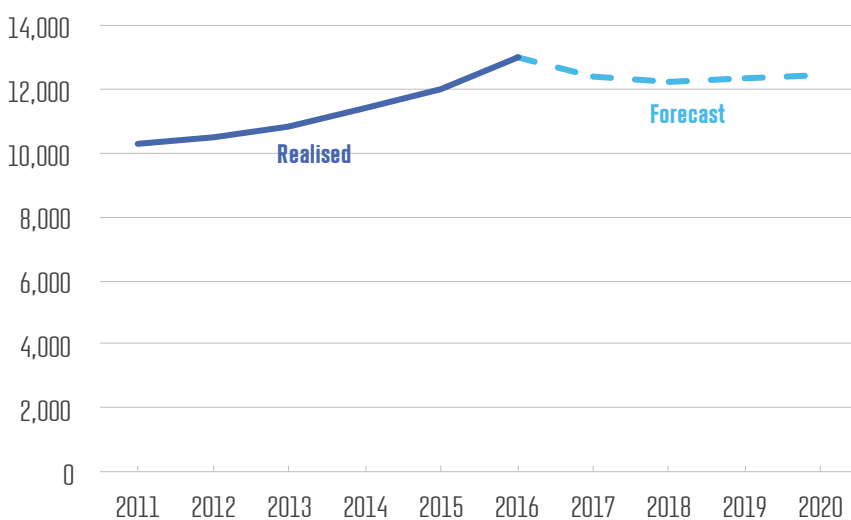
Louise Seest joined CBS as Director of CBS Business on 1 September 2016. She is responsible for improving CBS' collaboration with the business community and the public sector. Her areas of focus are:

- to create closer ties between CBS, the business community and the public sector
- to link internal activities to the business community and the public sector
- to ensure that education and research at CBS develops in line with the needs of the business community
- to build a bridge between the business community, CBS' programmes and students, including relations to alumni.

ENTREPRENEURSHIP IS PART OF CBS

Copenhagen School of Entrepreneurship, CSE, has primarily been engaged in extra-curricular activities for a number of years. Through these activities, students have been trained in how to use theories from their

Figure 3 Development in value-added output (STÅ) 2011-2020

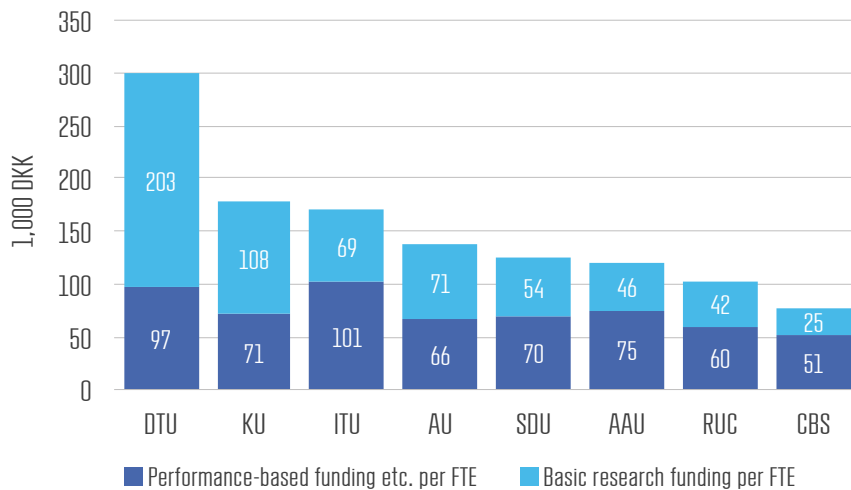


Note: "STÅ" expresses study activity corresponding to one year's prescribed period of study where the students pass their exams. Source: CBS

CBS' value-added output (STÅ) in 2016 was the highest in the 2011-2016 period, because an extraordinarily high number of older students graduated in 2016.

CBS expects the value-added output to drop in 2017 and 2018 and that it will once again go up slightly in 2019 and 2020 as a result of more students being admitted in 2017. The decrease in value-added output from 2016 implies a decrease in CBS' income from full-time programmes, which usually makes up around half of CBS' total income.

Figure 4 Performance-based funding, etc. and basic research funding per university student FTE



Note: 2015 prices.
 Source: Expert Committee on Quality in Higher Education, www.ufm.dk/kvalitetsudvalget.
 Updated based on Danske Universiteter 2015

The report "High ambitions - excellent teaching in higher education" from 2014 showed that CBS receives the lowest performance-based funding per student FTE and the lowest basic research funding per student FTE compared to the other Danish universities.

The report, which was published by the government's "Expert Committee on Quality in Higher Education", is based on 2013 data. CBS has updated the figures with 2015 data, which, however, has not changed the overall picture.

programmes in order to develop their own business ideas, and this has improved their understanding and use of their knowledge.

Since the study progress reform, students are under more time pressure, and CSE has experienced that fewer students can find the time for their studies and at the same time all the practical work involved in starting up their own business. Two new initiatives were therefore planned and tested in 2016: the CSE Entrepreneurship Start-up Program, which is an ECTS-approved internship in the student's own business and the special exemption from the study progress reform requirements which is granted to students who are dedicated to starting their own business. Integration with the business community was also high on CSE's agenda in 2016. CSE has therefore had another round of the GoGrow acceleration programme and also set up a mentor process where established businesses work closely together with entrepreneurs.

NEW ENTREPRENEURIAL ENVIRONMENT AT CBS

On 1 September 2016, the office partnership Symbion opened a new entrepreneurial environment, Creators Floor, in cooperation with CBS. It is their ambition that Creators Floor will house between 30 and 40 entrepreneurs, who will rent the premises and share knowledge and get inspiration from other innovative business enterprises and the entrepreneurial environment at CBS. The strengthened cooperation with Sym-

bion is in line with CBS' new strategy, and the entrepreneurship and innovation initiative where bridge building between research, education, start-ups and the Danish business community is one of its main focus areas.

ACHIEVEMENT OF DEVELOPMENT CONTRACT GOALS

CBS has met 11 of a total of 14 goals in the development contract, meaning that three goals were not met. All goals are addressed in connection with reporting regarding the development contract, and the goals which have not been met are addressed below.

HIGHER RELEVANCE AND INCREASED TRANSPARENCY

The goal includes the goal regarding the number of students who have completed a Proof programme at CSE. This goal was not met in 2016.

The goal is that 255 students complete a Proof programme at CSE where the students get help to start their own business, but the number of students who have completed the Proof programme is 231. On the other hand, CSE has increased the number of programmes on offer. The total number of students who have completed one of CSE's programmes exceeds the goal set for 2016. However, the aim of the other programmes is not the same as the Proof programme. Students who have completed other programmes are not included in the count, but the fact that the goal was not met does not mean that CSE's activity level has gone down. On the contrary.

IMPROVED EDUCATIONAL SYSTEM COHERENCE

The overall goal includes a goal relating to a rising number of student FTEs at continuing and further education level (student FTEs). This goal was not met in 2016, as the goal set for student FTEs at continuing and further education level was 1,650, whereas CBS had only 1,472 student FTEs. The decrease is primarily attributable to diploma programme (HD1) students

and should be seen in light of the fact that the market for diploma programmes in Denmark declined in general in the period 2011-2015. This affected CBS as well. The adverse market development is due to a change labour market when it comes to recruitment of staff with a diploma programme background. In the financial sector, diploma programmes have traditionally been the preferred choice when it comes to continuing education, but the number of employees in the financial sector has gone down, and the sector increasingly recruits employees with a higher level of education, for instance master programme graduates.

In close dialogue with the Ministry of Higher Education and Science and the other providers of diploma programmes, CBS is considering how the programmes can best be modernised and made more attractive to the labour market of the future.

INCREASED INTERNATIONALISATION

The goal relating to increased internationalisation was not met in 2016. Relative to the

number of CBS master programme graduates, the number of students on exchange stays outside Denmark dropped in 2016 due to the extraordinarily high number of graduates. Also, a modest decrease in the number of students on exchange stays outside Denmark has been noted. CBS still focuses on offering the students an attractive exchange portfolio so that the high number of exchange students can be maintained in spite of the difficulties following from the study progress reform.

INCREASED SOCIAL MOBILITY

Last year, the follow-up on the goal relating to increased social mobility was removed from the formal follow-up on the development contract. CBS met the two goals that were results of the goal of increased social mobility, one of them being that CBS should enter into at least four cooperation agreements with schools offering upper secondary education in 2016. In 2016, CBS entered into cooperation agreements with 12 such schools. The other goal was for CBS to carry out an evaluation of quota 2 admission criteria in 2016 and the impact on social mobility. The analysis has been carried through, and the results are being discussed and involved in the further work to assess the criteria.

OUTLOOK FOR 2017

CBS' FINANCIAL POSITION

For 2017, CBS budgets for a loss of DKK 16 million on the assumption that CBS will achieve full progress bonus in 2017. In spite of this, performance-based income is expected to decrease in 2017 due to lower value-added output (STÅ) relative to the very special year 2016. On the other hand, slightly higher income from basic research funds and externally funded projects is expected. All in all, CBS expects income for 2017 to be DKK 12 million lower than in 2016. CBS budgets for a higher level of expenses in 2017. The positive results realised for 2016 and the resulting higher equity leave room for a slightly higher level of expenses than previously presumed. In spite of tight financial framework conditions, Senior Management has prioritised funds for a number of areas, including developments at continuing and further education level, implementation of the strategy, merger of the Department of Intercultural Communication and Management and the Department of International Business Communication as well as the celebration of CBS' centenary.

STUDY PROGRESS AND STUDENT BEHAVIOUR

In 2017, CBS is going to continue to monitor and analyse study progress and student behaviour. Given the study progress reform and the considerable bonus for reduced duration of the period of study, it is important to the future forecasting of CBS' financial situation to get a more solid picture of students' study progress and behaviour. Study progress and the relating progress bonus will impact considerably on CBS' income in the years to

come. The difference between attaining full progress bonus and attaining only 75% is thus going to be more than DKK 20 million in 2020.

STRATEGY: ACTION PLANS AND IMPLEMENTATION

In November 2016, three action plan teams were established in respect of the three strategic priority areas: entrepreneurship and innovation, CBS' programme portfolio and collaboration with the business community and society. The action plans will be presented to the Board of Directors in March 2017, and then implementation and resource allocation in respect of the initiatives described in the action plans will take place.

POLITICAL LANDSCAPE

The Danish Government is expected in 2017 to present at least three possibly coherent initiatives affecting the universities' finances and management:

- reform of the educational grants
- governance reform
- new concept for the universities' development contracts

The precise implications of the reforms for CBS are uncertain, but CBS hopes that a reform of the educational grants will reward the relatively high rate of employment for CBS' graduates.

Table 1 Private and public sector employment of CBS graduates

	Number of graduates by sector		Percentage of graduates by sector	
	Private	Public	Private	Public
Business economics	3,433	643	84%	16%
Business language	317	64	83%	17%
Total	3,750	707	84%	16%

Source: Statistics Denmark via CBS

A majority of CBS graduates are employed by the private sector.

The table shows the numbers and shares of CBS graduates in the period between 2013 and 2015 who are employed by the private and the public sector, respectively, specified by business administration and business language graduates.

NEW STRATEGY

CBS' STRATEGY

In 2016, the Board of Directors approved CBS' new strategy, which is a re-confirmation of the Business in Society strategy from 2011, and the Board of Directors has selected three new change initiatives.

These initiatives, which are to take effect in the period 2017-2020, are:

- entrepreneurship and innovation
- CBS' programme portfolio
- cooperation with business life and the surrounding world

The overall strategic direction is clear: We wish to strengthen our position as a broad, interdisciplinary business school while at the same time constantly focusing on contributing to the development of society through research and research-based education. The three new change initiatives forming part of the strategy mean, among other things:

- CBS will educate students to have an entrepreneurial and innovative mindset, and CBS wants to position itself as an important player in Europe based on a social science and business economics approach to entrepreneurship and innovation.
- Each programme should contribute to developing the students so that they can harness their full potential. CBS' programmes should live up to the highest international standards, be practice-oriented and transparent to students and external stakeholders alike.
- Through dialogue and cooperation with the private sector and the public sector, CBS will contribute to positive developments in society.

Besides the three new change initiatives, the strategy maintains the following initiatives described in the 2011 strategy:

- The Business in Society platforms should increase cross-disciplinary cooperation with CBS and make it possible to meet societal challenges crosswise of academic borders.
- World Class Research Environments are to coin CBS' strategy into specific projects which are to be examples to researchers at a high international level.
- Based on the UN's Principles of Responsible Management Education, the ambition is that responsible executive programmes are to be an integral part of CBS' core activities - both with regard to research and education. At the same time, we wish to lead by example in our own organisational practice.
- CBS is working on a new Solbjerg Campus, which is to be created around three urban areas and appear as one of the world's most open and green campuses to the benefit of Frederiksberg and society at large.

IDENTITY

CBS is an international business school, which, based on its unique diversity, combines elements from traditional business schools and universities with a broad programme portfolio. CBS is constantly focusing on contributing to society through research and research-based education. We play an essential part in the discussion about innovative and dynamic business models, sustainable organisational structures and financial structures as well as responsible governance and management. We nurture the entrepreneurial spirit at CBS by supporting new ideas and be open to individual initiatives and new opportunities.

MISSION

CBS is committed to communicating knowledge and innovation to enterprises and organisations, tomorrow's business leaders and society in general. Our main contribution in this field is research and research-based education. We are obliged to educate and further educate both young people and more experienced individuals for the business community by providing them with a solid knowledge base and insight into state-of-the-art international research with a view to adding value and supporting sustainable development.

VISION

CBS is striving to be a leading international business school that acknowledges that the private and public sectors play an important role in developing society – and that business processes and methods are, on the other hand, formed by society. Key to our development is our ability to prepare the students so that they can contribute with innovation and entrepreneurship in their future employment as well as develop world-class research that can contribute to finding new solutions to the challenges of society. In order for us to attain this end, we need to have an attractive, responsible and committing working place which involves our employees and students, maintain a high international quality in all we do - as well as an organisation with the capacity required to ensure co-creation with the surrounding society.

EDUCATION

CBS' EDUCATIONAL PROFILE

CBS' programmes are based on the Business in Society strategy. All of CBS' programmes, which are international in their content, aim and ambition, are to give the students a solid, technical basis for them to build on for the rest of their life. We want our candidates to be in demand in the labour market and for them to be prepared to tackle new, future challenges and be able to change the way things are done today. Therefore, all our candidates need to possess

fundamental business economics competences, a critical, reflexive flair for problem-solving and a social understanding of the opportunities and challenges of the business community. At the same time, the students are educated within a broad range of subjects reflecting the diverse and complex issues facing the business community and the rest of society.

Efforts are still being made to reduce student completion time to ensure that CBS will be in the best possible position to fulfil the requirements of the study progress reform. Also, the many amendments of the study progress reform have been translated into internal guidelines, implemented from the start of study in September 2016. Far more master programme students have handed in their thesis than has been the case in recent years, and the large number of theses have put great pressure on supervisor resources.

As described in the preamble to the development contract with the Ministry, the financial conditions imply that the number of lectures held by permanent staff will decrease. At the same time, the Board of Directors has stressed that the number of lessons taught by academic staff must not decrease - on the contrary. This is the reason why CBS needs to engage external teachers to act as supervisors.

PROGRAMME PORTFOLIO DEVELOPMENTS

As part of the strategy process, CBS' programme portfolio has been a subject of discussion. One of the big issues has been the possibility of re-organising master programmes so that it would be more obvious to the students which alternatives there are to the programme that they are legally entitled to and how they can qualify themselves for that. Further efforts will be made in this area in the years to come.

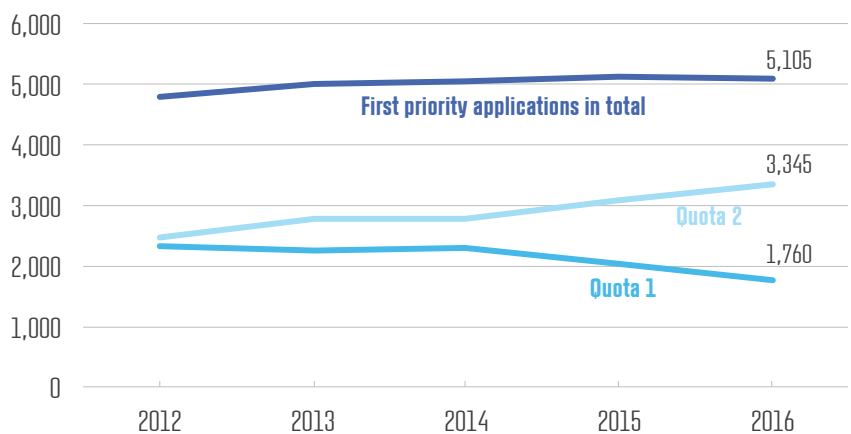
As one of the first initiatives taken in the direction laid down in the strategy, CBS has

drafted changed contents of BA in European Business and managed to get the programme approved as a bachelor programme.

At the end of 2015, it was decided not to admit any more students to the programmes where the main languages are French, German, Spanish and Japanese. These programmes were not as much in demand as other CBS programmes, and CBS had to acknowledge that in terms of finances, the language programmes do not add up. Performance-based

funding is low, and language education naturally involves training which cannot be carried through in large classes. Since grants are not available to CBS to finance loss-making programmes, CBS has taken the consequence and closed down these programmes rather than having to lower their quality. Together with the University of Copenhagen, CBS is investigating the possibilities of offering programmes holding a business language element.

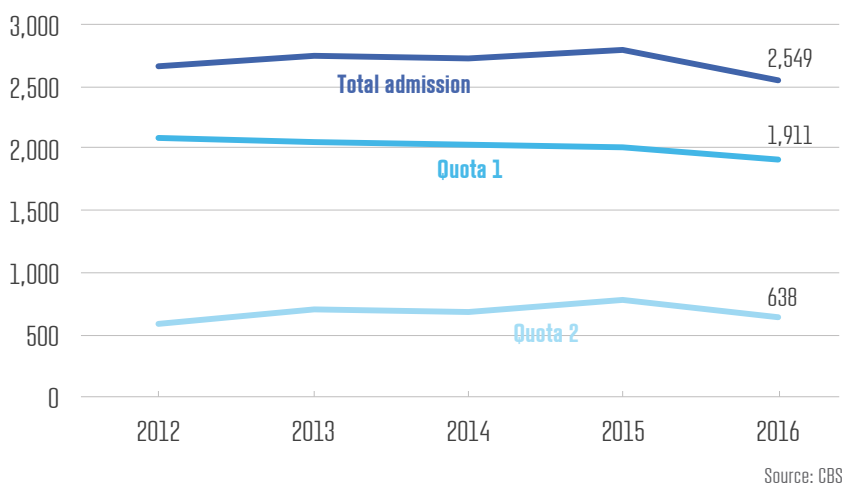
Figure 5 Applications (1st priority) for bachelor programmes, broken down by quota 1 and quota 2



Source: The Ministry of Higher Education and Science

An increasing number of applicants for CBS' bachelor programmes apply through quota 2, primarily because still higher GPAs make applicants through quota 2 to be on the safe side.

Figure 6 No. of students admitted to bachelor programmes, broken down by quota 1 and quota 2



In 2016, approx. 25% of CBS' bachelor students were admitted through quota 2. This is a slight decrease relative to the 28% ratio established in 2015.

REORGANISATION OF THE PROGRAMME ADMINISTRATION

In 2015, CBS' programme administration underwent major reorganisation with a view to making it more efficient and make the distribution of work more clear to the stakeholders served by the administration: students, teachers and supervisors. This was not an easy task. However, it is nevertheless evident that the very heavy tasks resting upon the administration, e.g. implementation of the study progress reform and the resulting increase in the level of activities, could not have been undertaken without reorganisation. Not least the huge task of handling almost twice as many theses than are usually handed in - and in a very short period of time - put extra pressure on both teachers and many administrative departments.

In the past year, CBS worked on a Student Service project based on the idea that even if standardisation and enhanced efficiency are necessary and expedient, the primary task is to serve the students. The project has led to a number of specific improvements, e.g. relating to exam dates, exam aids and communication. The students participated actively in the project, which, on their initiative, was renamed Student Partnering Project to emphasise the mutual relation, not merely a customer relationship. The project is not completed, and in the next phases the relations to and the servicing of other parties at CBS - in particular the teachers - are to be improved. CBS' students will get a good

experience only if the teachers' work is supported as best as possible.

AN EYE FOR FEEDBACK

The student representatives on the Board of Directors have taken the initiative for making feedback a priority area. As CBS' financial situation often implies large classes, other forms of feedback are needed as well. For instance, office hours have been introduced for all academic staff, as well as an ideas catalogue for how teachers may provide feedback to large classes and for facilitating that students provide feedback to each other.

QUALITY ASSURANCE OF EDUCATION

In June 2016, CBS received its full national institution accreditation after having previously received a conditional accreditation, which was mostly motivated by CBS' relatively large ratio of part-time academic staff and their insufficient affiliation with CBS' research environments. Due to small research grants, CBS cannot reduce the number of part-time academic staff, but has, on the other hand, tied them closer to CBS and well as ensured their continual competence development.

The rota evaluations, which are a CBS service check of all programmes, involving internal and external experts, were completed with good response from the programmes and are now in their second round.

The international AACSB accreditation was to be renewed for the first time in 2016. CBS

has made great efforts to renew this important acknowledgement, and the AACSB panel's visit in the autumn was a success. AACSB is going to make its decision as to a possible re-accreditation of CBS in 2017.

COOPERATION REGARDING EDUCATION

Two programme cooperation agreements were made with the University of Copenhagen in 2016. A master programme in International Market Communication (German/French/Spanish) is now offered under the auspices of the University of Copenhagen, but CBS is to provide a substantial part of the education. A satisfactory number of applicants have already applied for admission. Together, the universities have drafted the possibilities of a commercial bachelor programme in the same languages, but have also notified the Ministry that such a programme cannot be carried through unless more performance-based funding is provided for foreign languages.

In cooperation with the Faculty of Health Science at the University of Copenhagen, CBS is offering a master programme in Health Innovation Management. This programme has been developed in close cooperation with the sector, and not least international students have already applied for admission. However, the conditions under which cooperation with regard to programmes is possible are made difficult, as the Ministry places the element taken place at CBS on low performance-based funding - even in case of joint programmes.

BSc in International Shipping and Trade has established an international course where students from CBS, Texas and Singapore stay one semester each place. Furthermore, as the first in the country, this programme has got permission to give the students an extended legal claim - i.e. certainty that they can return to a master programme within three years. Usually, students obtain a legal claim in respect of a master programme only if they go on studying directly after having graduated as bachelor, which means that only few bachelors dare apply for a job when there are not certain they can go back to a master programme. This is sad, since work experience may contribute to a more qualified choice of programme, just as it may increase the student's output of a master programme. CBS hopes to be able to follow this path by, in collaboration with the business community, setting up pilot schemes or small provisions of so-called corporate

graduate programmes where young people can attend a master programme on a part-time basis concurrently with relevant employment. However, to do so, the way needs to be paved for such programmes – politically and on the legislative front.

MORE ONLINE AND BLENDED TEACHING

CBS is increasing its efforts considerably in the areas of online and blended teaching. It is our desire that digitally supported teaching forms will allow of, in particular, higher study activity – also when the students are not physically in the class. Not least, targeted efforts were made in 2016 to support the entire diploma programme (HD) with blended teaching, which is particularly valuable when such a demanding programme is to be mixed with full-time work.

DEMAND FOR FLEXIBLE CONTINUING AND FURTHER EDUCATION PROGRAMMES

On 20 August 2016, the most recent team of MBA programme graduates were celebrated at a graduation ceremony. The team counted participants from 22 different countries, and about half of the graduates are expected to continue their career in Denmark.

In September, the first 24 students were admitted to the new HD diploma programme in Innovation Management, which is the most recent addition to the broad HD portfolio offered by CBS. More flexible courses of studies are in demand among diploma programme students as well, and the sale of single courses has thus surged by 90%. It will be an important task for CBS to make sure that diploma programmes develop so as to be able to add value to the Danish business community going forward as well.

As regards master programmes, flexible courses of studies allowing the students to plan their education themselves are in high demand. The flexible Master of Public Governance (MPG) programme admits a stable number of approx. 200 students a year, making it Denmark's most sought master programme, and the Master of Tax programme has seen a considerable increase in the demand for single courses.

MPA – Master of Public Administration – was for many years CBS' flagship in the area of public executive programmes. But since the introduction of MPG – after the decision reached in the tripartite talks and with a governmental start grant – it has been difficult to find a position in the market for MPA. The most significant difference between the two programmes is that the MPG is flexible, whereas MPA students follow the same class during the entire programme. It has now been decided to close down MPA and to offer a cohort model with similar contents at the MPG programme.

INTERNATIONALISATION OF EDUCATION PROGRAMMES

CBS attaches importance to internationalisation of its programmes for two reasons: First, graduates will be working in a globalised world, and, second, it puts pressure on CBS to strive for the highest standard internationally.

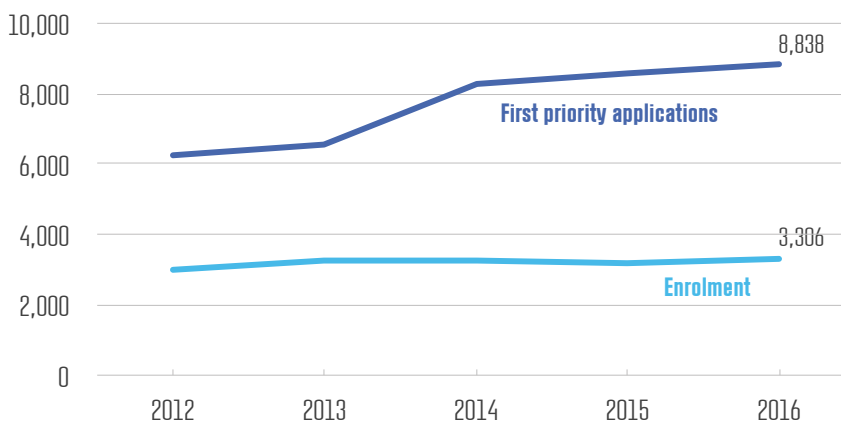
If graduates from CBS are to be of use in Danish business enterprises, they need to be just as skilled as employees at international competitors. Therefore, we need to measure up to the best business schools in the world – not just to the neighbour.

Also the market for continuing and further education is becoming increasingly internationalised. We have witnessed for a long time that Danish students complete MBA programmes outside Denmark and that we attract international students to Copenhagen. This trend has continued with the development of our Global Executive MBA where students are taught on four continents.

We also want to internationalise the more local continuing education programmes such as the diploma programmes (HD), and CBS is now for the first time ever offering an English-taught diploma programme. This presents opportunities for Danish students wanting to study in an international environment and for the many international employees in Danish businesses.

CBS has announced in a clear manner that we prioritise internationalisation when it comes to full-time programmes, and we want to do what we can with exemption, etc. to counteract the limitations from the study progress reform and the student grant reform on to the possibilities of studying outside Denmark. As it can nevertheless be more difficult for the students to fit international studies into their education, we now see a slight decrease in the number of exchange students. But as CBS still wants more students to get international experience, we intend to plan our programmes accordingly. Most recently, we decided to make an international study trip mandatory in several programmes.

Figure 7 Applications (1st priority) and no. of students admitted to master programmes

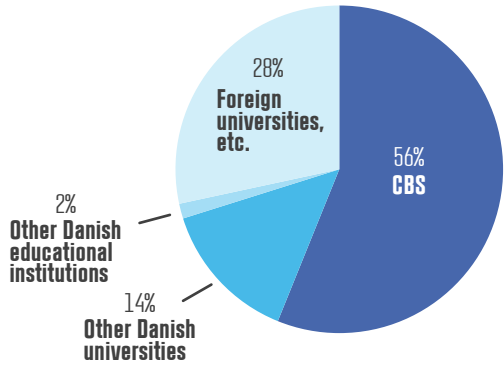


Source: CBS

The number of 1st priority applications for CBS master programmes has surged well over 40% in the past 5-year period. The number of students admitted rose by approx. 10% in the same period.

In 2016, CBS admitted slightly more than one-third of those students who had handed in 1st priority applications to the master programmes.

Figure 8 Master students' background, 2016

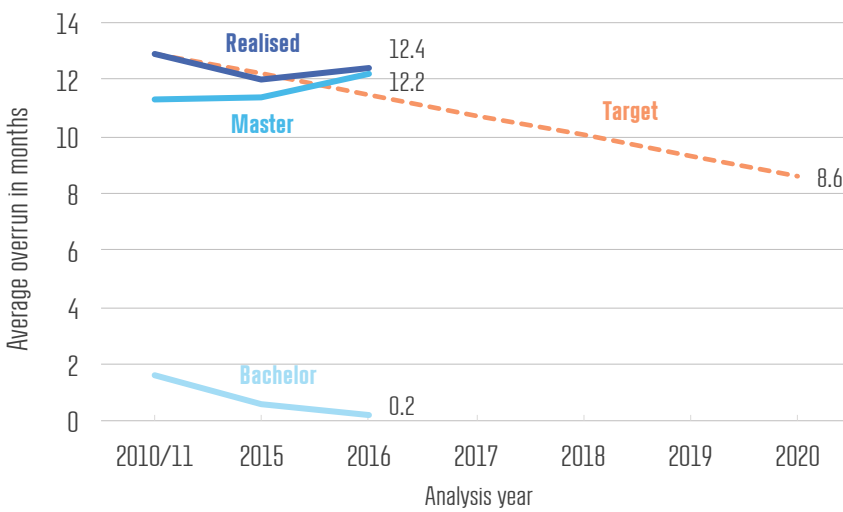


Source: CBS

56% of CBS' master students come from CBS, representing an increase of 3 percentage points relative to 2015.

28% of CBS' master students come from international universities, representing a decrease of 2 percentage points on 2015. The number of candidates with an educational background other than from a Danish university has gone down 1 percentage point on 2015.

Figure 9 Average time by which the official duration of the study programme is exceeded



Note: CBS' reduction requirements are measured on the basis of the academic year 2010/11, where the duration of the study programme was exceeded by 12.9 months on average. CBS needs to reduce this figure by 0.72 months every year until 2020 where the figure must not exceed 8.6 months.

Source: The Ministry of Higher Education and Science

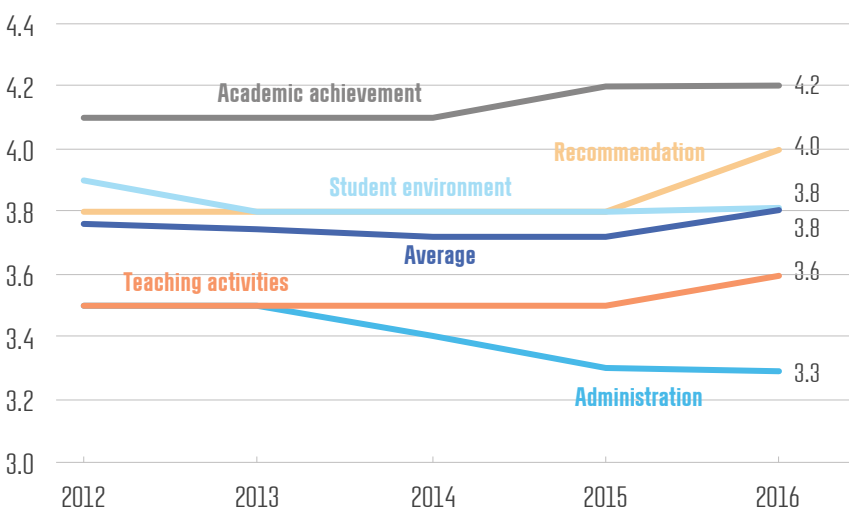
The requirement under the study progress reform to the effect that the duration of the period of study should be reduced means that the average period exceeding the specified duration of CBS' programmes that is higher than six months must be reduced by 60% by 2010.

With an average period of 12.4 months, CBS did not meet the 11.5 month target set for 2016.

The reason for the increase in the duration of the study programme is not that CBS graduates have taken longer time to finish their studies in general, but that CBS has made sure that a large group of older, master students who were behind time have graduated.

The average duration of study programmes is expected to decrease in 2017.

Figure 10 Student satisfaction 2016



Source: CBS

Overall average student satisfaction across CBS' programmes rose slightly from 2015 to 2016.

More students have recommended CBS, and satisfaction with CBS' individual courses has improved as well. Scores in relation to academic outcome, satisfaction with the student environment and programme administration remain at a stable level. In recent years, CBS has been focusing on improving service vis-à-vis the students. Even if all processes have not yet been fully implemented, there are indications that the efforts made have had a stabilising effect on the students' satisfaction with CBS' programme administration.

Satisfaction is measured on a scale of 1 to 5 where 5 is best.

INTERNATIONAL PROFILE



3

international accreditations

CBS is "Triple Crown Accredited" by EQUIS, AMBA and AACSB – an acknowledgement shared by less than 1 per cent of business schools worldwide

32

programmes in English

CBS offers a wide variety of full-time bachelor and master programmes taught in English

319

partner universities

CBS has exchange agreements with 318 universities and business schools worldwide

1.182

exchange students

In 2015 CBS sent 1,276 students on international exchange and received 1,099 exchange students from all over the world

3.955

full degree students

19 per cent of students at CBS are international

110

students nationalities

Students from 108 different countries are enrolled at CBS

217

intl. faculty members

44 per cent of the full-time academic staff at CBS is international

RESEARCH

CBS' RESEARCH PROFILE

CBS' strategy pivots on the concept "Business in Society". Thus, CBS is sending a clear signal that CBS finds that its raison d'être is to add value to society. To CBS, the value added through research takes place through excellent research in interaction with the public sector and private businesses and society at large - as well as in interaction with international research environments. A significant part of the value added through research is also its con-

tribution to research-based education given to the students, who then bring it along in society. Research at CBS embraces both more classic management disciplines such as financing, accounting, marketing, strategic management and organisation - and disciplines putting business in a broader, social, political, cultural, philosophical and historical context.

In 2016, CBS drew up plans to further strengthen its efforts in relation to its Business in Society strategy. Thus, in future, CBS aims to ensure that research is to a wider extent put in the context of, committed to and challenging the problems and opportunities facing companies and organisations.

In 2016, CBS worked to maintain the broad, academic profile - irrespective of the prospects of continued challenges in relation to grants due to the government's relatively low prioritisation of CBS. The efforts made in 2016 in respect of CBS' research profile were affected by the savings and staff cuts resulting from CBS' cost-saving programme from 2015.

CBS priorities having an imprint on research - nationally as well as globally. The important question remains if CBS will be able in the years to come to maintain the high international standard in spite of the financial prospects.

RECRUITMENT AND RETENTION OF RESEARCHERS

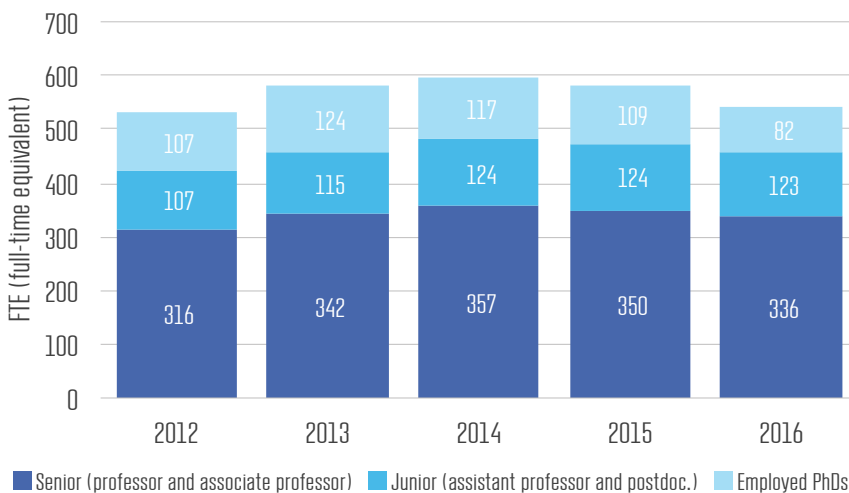
CBS' cost-saving programme from 2015 was finally implemented in 2016, which has impacted on payroll costs, in particularly hitting the academic staff. In spite of the tough financial conditions, CBS has managed through existing means to prioritise resources to allocate positions. This was also the case in 2016 where 40 new positions were allocated to the departments.

In 2016, positions were in particular allocated to positions as associate professor - e.g. to ensure a better balance between assistant professors, associate professors and professors. The remaining new positions were allocated based on vacancy advertisements seeking assistant professors and tenure track assistant professors. This prioritisation reflects that CBS has decided, in light of the budget savings, to focus its resources on recruiting young talents, while at the same time maintaining highly qualified staff.

INTERNATIONALISATION OF CBS' RESEARCHERS

CBS is - and wants to be - an international university. This means, among other things,

Figure 11 Composition of research FTEs



Note: "PhDs employed" include only PhDs financed by CBS. Business PhDs and privatists are not included. Source: CBS

The number of academic staff fell from 2015 to 2016. The number of FTEs for junior researchers has remained stable, whereas the number of PhDs and senior researchers is on the decrease.

Academic assistants, adjunct senior advisers, research assistants, scholarship awardees and senior advisers are not included in the figure.

that CBS wants to maintain a considerable representation of international researchers, who can not only strengthen the international research network, but also provide input from other countries. CBS has made a significant effort to attract international applicants. This international contestability in connection with hiring of staff contributes to higher quality in the recruitment process.

The ratio of new academic staff with non-Danish nationalities (citizenship) has gone down from 46% in 2015 to 29% in 2016. Limitations in recent years have implied a decrease in international recruitment. The declining ratio of new hires with international background, beginning from 2015, should be seen in light of a decreasing num-

ber of new hires, and it should be noted that the ratio of academic staff with international background remains stable at around 40%.

DIVERSITY ON THE AGENDA

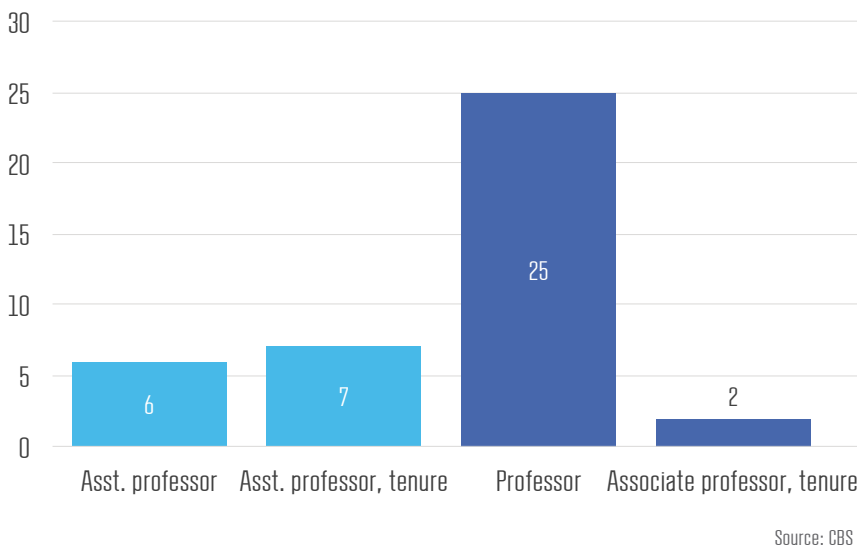
CBS makes a strategic effort to increase gender parity, recognising that we need to be innovative and act in a deliberate manner if we are to be better at exploiting talent – no matter the gender.

In 2016, CBS launched gender statistics including data on the ratio of men and women – from bachelor level to professor level. Based on the annual statistical figures, CBS aims to further awareness of the gender imbalance in the group of permanently employed academic staff.

Data show that the gender balance has been established up till and including assistant professor level. Among the permanently employed associate professors and professors, some of the female talents are left behind. At professor level, the gender balance remained unchanged in the year under review, meaning that 18% of CBS' professors are women.

At the same time, an analysis of the relationship between gender and the department heads' management practice has been completed. The analysis examined gender aspects of management practice in three areas: 1) recruitment practices, in particular scouting and nudging, 2) management practice to establish and maintain a good

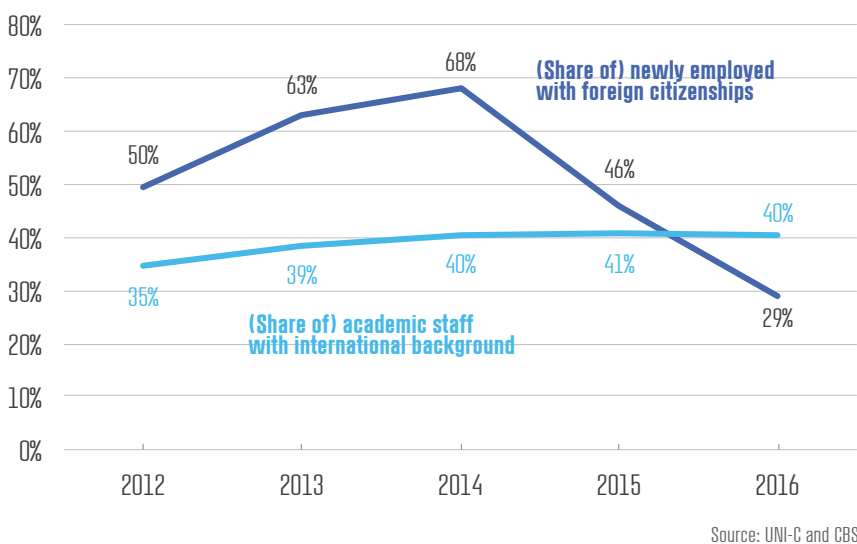
Figure 12 Allocation of academic staff positions 2016



In 2016, 40 positions were allocated. CBS prioritises recruiting and retaining talented researchers, which is also reflected in the number of allocated positions as associate professor in 2016.

CBS allocates academic positions to the departments, which then initiate a recruitment process through job postings.

Figure 13 Share of academic staff with international background



The share of new academic staff with non-Danish nationalities (citizenship) has gone down from 46% in 2015 to 29% in 2016.

However, CBS is still striving to recruit internationally. The share of non-Danish academic staff remains stable at around 40%.

working culture and attractive research environments and 3) practices and guidelines to further diversity and equality, including suggestions for how to avoid deliberate bias. The analysis and the statistics were initiated by CBS Council for Diversity and Inclusion (CDI).

GOOD SCIENTIFIC PRACTICE

In 2016, CBS decided to set up a practice committee and a Named Person scheme. The efforts in this connection were first made in spring 2016 in order to further support researchers in their continual development of high-class research.

On this basis, the Dean of Research set up a working group consisting of two Heads of Department and four members appointed by the Academic Council. The proposal was later on submitted for consultation, and in November 2016 the practice committee and the Named Person began their work. The practice committee is to set the direction for CBS' understanding of good scientific practice based on the Danish code for integrity in research and make decisions in cases of violation of good scientific practice. The Named Person is to advise researchers in questions relating to good scientific practice.

Moreover, it has been decided to introduce a mandatory PhD course on good scientific practice, and all Heads of Departments have been charged with the task of communicating discussions of this topic among the staff.

DEVELOPMENT OF THE DEPARTMENTS

As the departments are the heart of research, it is essential to CBS to develop the framework under which the departments and, hence, the researchers working there operate.

At a more general level, the efforts made in 2016 focused on hiring new Heads of Departments, initiation of an academically reasoned merger between two departments and completion of the strategies for the departments.

The latter took place parallel with the formulation of CBS' overall strategy. Thus, the three priority areas for CBS' strategy were in focus. At department level, the three topics were supplemented by the efforts to integrate the part-time academic staff into the research environment, implement a new PhD strategy and recruit academic staff.

The latter developed into a major, long-term commitment to map and clarify expectations as to the researchers and minimum requirements in relation to transition between positions, i.e. developing a clearer academic pipeline. A format focusing on five dimensions was thus established and named REEAD – Research, Education, External Funding, Academic Citizenship and Dissemination. Locally, the format was made more specific through the 15 departments and was also discussed with the Academic Council among other parties. The REEAD format is expected in the years to come to be the pivot for ongoing discussions to ensure high research quality and transparency in relation to expectations of researchers.

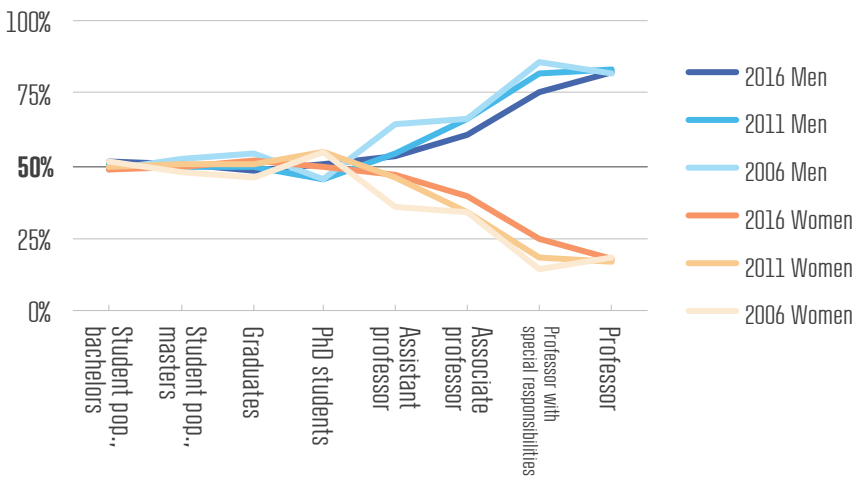
Over the past few years, CBS has been aiming at creating more coherence between research and education, more relations to the business community and research cooperation crosswise of the departments. To attain this end, the Business in Society platforms format was established in 2016, and the results were evaluated in 2016. The conclusion drawn was unambiguous: CBS ought to continue the initiative in an even more flexible version. CBS is also happy to note that the expired Sustainability and Public-Private platforms have become integral parts of the department environments. This is a good sign that the strategic efforts have borne fruit and that the researchers involved have made an excellent effort.

CBS STRENGTHENS THE PHD PROGRAMME

CBS has for many years been facing the challenge that the Danish Government earmarks relatively modest funds to PhD programmes in the area of social science. The consequence of CBS' framework conditions has been a declining number of students admitted to PhD programmes. CBS intends in the coming years to try to reverse this trend, because a good population of PhDs is essential to the vitality and innovation of the research environments.

At the same time, CBS is working on strengthening the PhD programme through a new curriculum crosswise of CBS' three PhD schools. The curriculum implies, among other things, that PhD theses must be published in the public Open Archive

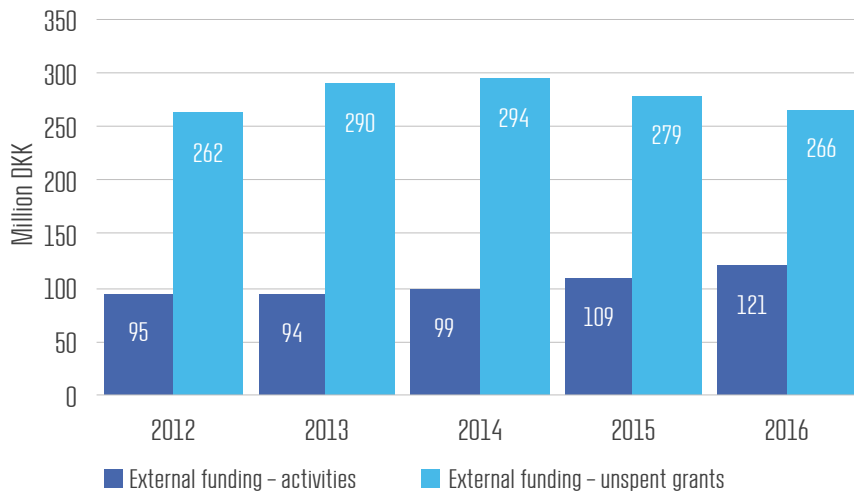
Figure 14 Gender parity at CBS, 2006-2016



Note: The number is measured by reference to headcount.
Source: ISOLA and CBS

The figure shows that the ratio of women and men is largely equal among students, graduates and PhD fellows at CBS, whereas the ratio of women goes down in line with the general increase in the position structure for academic staff. The ratio of female professors was 18% in 2016.

Figure 15 External funding: Activity and grants not yet spent



Source: CBS

The figure shows funds spent on externally funded projects and donations as well as grants not yet spent. Reflecting the portion of already donated grants that have not yet been used, unused grants indicate the volume of externally funded project activity that can be carried out without receiving any additional, external funding. See note 10 in the chapter "Notes to the financial statements".

The statement of external funding follows the Budget and is calculated on UK 95, Subsidised research activities.

database at CBS as well as a limited period of enrolment to ensure that PhD students finish their studies within a reasonable time. Furthermore, CBS has drawn up a double degree format with strong research environments outside Denmark, e.g. through EU programmes.

Finally, it is important that CBS' PhD students can look forward to a good career in the university world or in public institutions and private business enterprises. Also in 2016 did CBS' PhD students demonstrate that they are attractive – for instance, many of them have found jobs at prestigious universities and strong businesses.

In recent years, CBS has been working to further "placement" of PhD students through a project which is co-financed by the Competence Secretariat. The project has given CBS some valuable experiences, which will be incorporated in the ordinary student counselling of PhDs through the three PhD schools going forward.

GROWING INTEREST FROM PRIVATE DONORS

CBS wants close and good cooperation with external stakeholders, typically reflected in externally funded research projects. Externally funded research projects accounted for DKK 121 million in 2016. The consequence of the increased activity is a slight decrease in unspent funds, which, however, still amount to DKK 266 million.

In 2016, CBS' researchers attracted DKK 123 million from external sources, which is more than in 2014 and 2015 and at the

level attained in 2013. The background for this trend is still closer cooperation with private foundations and companies, whereas cutbacks on particularly public, national foundations have made a significant impact. Grants from the EU's research programmes have stagnated or even slightly decreased. However, the fact that CBS sees growing interest from private donors in investing in research at CBS is a good sign that CBS' Business in Society strategy shows impact.

The Ministry of Higher Education and Science's mapping in 2016 of Danish universities' financing from private foundations documented that CBS attracts approx. DKK 130,000 per research FTE. This is on a par with the Technical University of Denmark (DTU) and only outperformed by the University of Southern Denmark, the University of Aarhus and the University of Copenhagen all of which have Faculties of Health Science.

The report further demonstrated that, looking at social science only, CBS was the greatest recipient of funds from private foundations in the period 2012-2014, whereas CBS is considered by the public research councils, etc. to a very limited extent only.

One example of a private donor that has supported CBS is Novo Nordisk Fonden, which in 2016 invited researchers to come up with proposals on research in the value of the importance of research to society. CBS received two of the three grants given.

This meant that Anders Sørensen, Professor, could embark on a project on the social implications of investing in university pro-

grammes, while Hans Christian Kongsted, Professor, could initiate his efforts to increase the understanding of the interaction between businesses, universities and the organisations that fund research - with particular focus on what drives each individual researcher. These two projects illustrate CBS' improved ability to attract research funds from private foundations.

To strengthen CBS' internal commitment to externally funded research and the resulting relationship with the stakeholders in the surrounding world, the follow-up on the strategies for CBS' departments in 2016 focused on drafting action plans for external funding in each individual environment. In addition, the organisational set-up of the programme administration was streamlined to optimise the services rendered to researchers and departments.

In 2016, CBS furthermore worked to design an Endowed Professorship Programme – a business' direct financing of a professorship and the accompanying research environment. The programme was discussed internally, and a number of applications and potential applications were drawn up. CBS already has Endowed Professorships, but the existing model is to be expanded so as to create more long-term research relationships with central foundations and private business enterprises.

TARGET: A STRONGER PLAYER IN THE EU'S RESEARCH PROGRAMMES

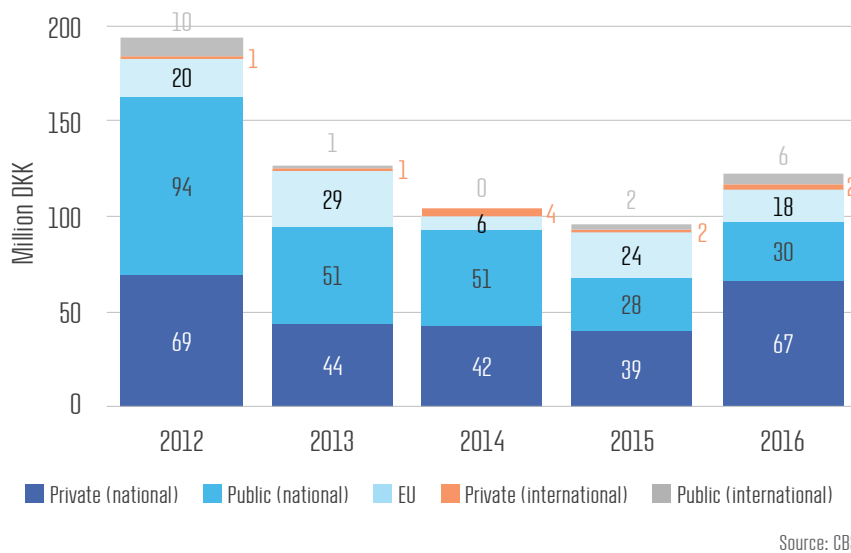
In 2016, CBS continued its political efforts to point to the lack of prioritisation of the direct commercial research in the public

research programmes. These efforts will be continued in the coming years in order to create more synergies between public and private investments in social science research.

CBS is working on increasing the efforts in relation to the EU's research programmes, not least because EU funds are a good source of visibility, recognition and network. This is also the reason why CBS decided in 2016 to participate actively in the merger between creoDK and Copenhagen EU Office. CBS aims in the long run to become a stronger player in the EU's research programmes and contribute to shaping both the future framework programmes as well as the specific

announcements. In 2016, CBS made a special effort to promote the implementation of a Societal Readiness Level which can contribute to making the programmes more relevant to research in the fields of social sciences and humanities.

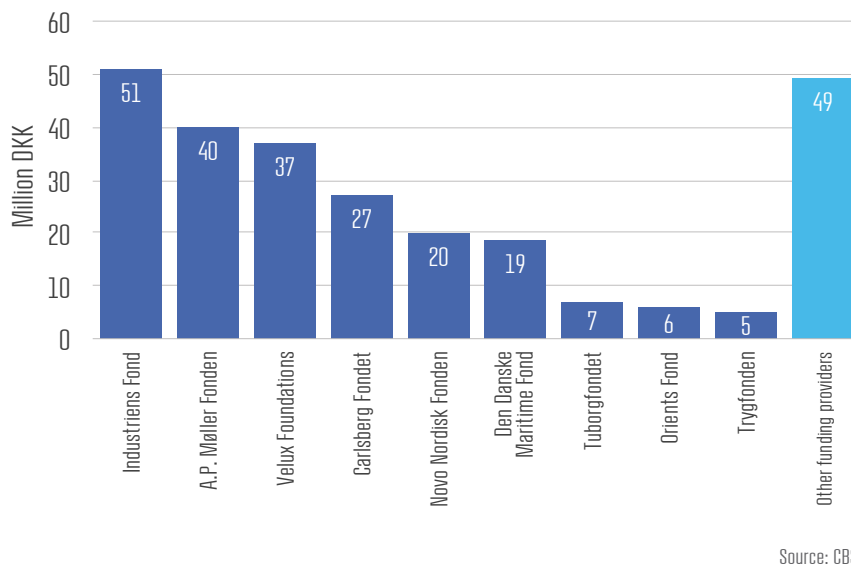
Figure 16 Grants donated for externally funded projects



The share of grants from private foundations and businesses rose significantly in 2016. One of the main reasons is the fact that CBS obtained three grants of DKK 10 million or more each in the year. This is the result of a targeted effort to apply for larger single grants to finance long-term research activities.

The share of Danish public grants rose slightly on 2015, but is still considerably below prior years. This is probably a result of the central reduction in public, contestable research funds seen in recent years.

Figure 17 Largest private donors for externally funded research



The figure shows the largest private donors for CBS' externally funded research in 2012-2016, measured by reference to already donated grants.

Besides the donors reflected in the figure, the largest donors are Otto Mønstedts Fond, Rockwool Fondens Forskningsenhed, Danske Bank and Kræftens Bekæmpelse.

RESEARCH COMMUNICATION

CBS' COMMUNICATION PROFILE

CBS' communication is linked to the ambitions expressed in the Business in Society strategy. Because the position as a major knowledge producer obligates CBS to ensure that such knowledge is communicated in order to add value to society at large. This means that communicating knowledge about the results achieved both during and after the project is a natural part of a research project.

Besides the actual research communication, increasing demand for CBS researchers' knowledge is noticeable – be it in the media, where CBS researchers are typically consulted as experts, or in businesses and organisations which would like to see new knowledge incorporated in their management and development processes. To ensure a high degree of professionalism in communication, competence development courses and related seminars are carried through on a regular basis.

CBS works with several media channels to highlight research, spanning nationwide TV, newspapers and radio to blogs, newspaper columns, international media, conferences, book publishing, tweets and Facebook postings. In 2016, CBS researchers acted as trend-setters, openly discussing intimate topics such as job-related stress, women in management and trends among private investors, and they were often used to put into perspective major events in society such as Brexit, the Panama Papers and the presidential election in USA.

NEW RESEARCH NEWSLETTER

In 2016, CBS published for the first time the newsletter Research News from CBS, which is to bring businesses, the media, decision-makers, students and staff closer to research. The newsletter is due for publication four times a year.

Among other topics, the first edition addressed how employees' job change gives more innovation, and it introduced some of the new researchers at CBS. Another story was the one about one of the world's leading researchers in a tax haven, as single mother and new in Denmark, managed one of her busiest years due to the Panama Papers through the help of Danish culture and her workplace.

DISSEMINATION SUPPORT

CBS is continually working to assist researchers – Danish as well as international – disseminate their news in the media. Every day, journalists are matched with CBS researchers in topical news stories, and network meetings and other events over the year focus on dissemination.

In 2016, Lisbeth Knudsen, Mandag Morgen director, was appointed adjunct professor at CBS' Department of Business and Politics where she arranged a dissemination seminar directed at the departmental staff in order to improve cooperation with the media. A similar seminar open for all CBS researchers was carried through later on.

UPDATED COMMUNICATION STRATEGY ON ITS WAY

Parallel with CBS' strategy efforts, a process has been initiated to update a dissemination strategy for CBS. The first draft includes the idea to have international researchers in circulation in Danish media and, to a higher extent, to get CBS researchers to appear in international media and discussion fora.

The tools to attain this end include offering development of competences in the use of social media such as Twitter, insight into blog options at selected Internet sites and condensed media training focusing on the elevator pitch.

CBS IN THE PRESS IN 2016

CBS was quoted 20,735 times (57/day) in the Danish media in 2016, which is up 11% on 2015. The figures are based on Infome-dia's database, which includes all Danish media. As in recent years, most of the mentions were made in online media, followed by national daily papers.

A more qualitative calculation based on daily press cuttings, filtered for minor matters and only including the original news article or item in radio/TV, not quote stories in other

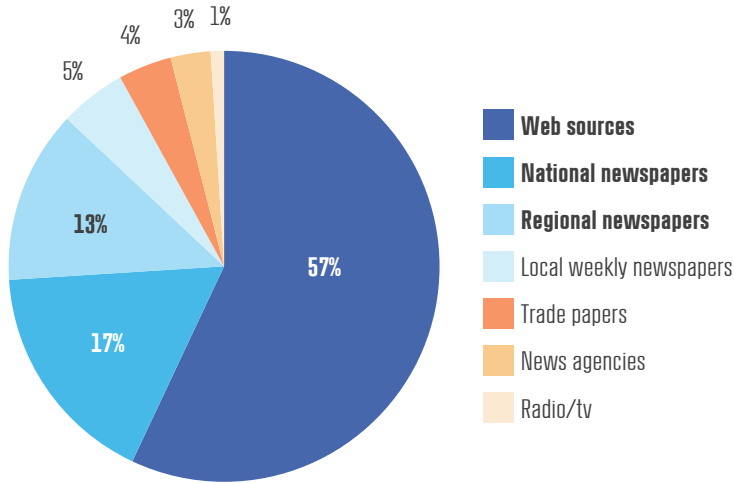
media, shows 5,011 mentions in 2016 (14/day). The breakdown by media type shows most mentions from web sources, closely followed by national daily papers, journals/magazines, radio/TV, regional daily papers and news agencies.

By far the majority of the mentions are related to research dissemination, e.g. in connection with new appointments for top positions in Danish businesses, disruption, Brexit, stress, branding and bank regulation. CBS was also in focus in connection with mentions of introduction camps, an agricultural report, GPAs, the value of an MBA programme from CBS, a new student house in old police headquarters and the position in several business school rankings in 2016.

RESEARCH-BASED KNOWLEDGE FROM A NEW UNIT

With the new unit CBS Business Relations, CBS wants to act out the strategy for enhanced cooperation with the business community and the public sector. The new strategy is implemented in planned events for 2017 where CBS arranges two new relation-building activities: CBS Roundtable and CBS Business Connect. The purpose of both activities is to create a platform for equal dialogue and co-creation between players in the business community and CBS' researchers, and ambitions are for these, new activities to contribute to supporting society's need to have access to current and relevant research-based knowledge.

Figure 18 Press coverage by media, 2016



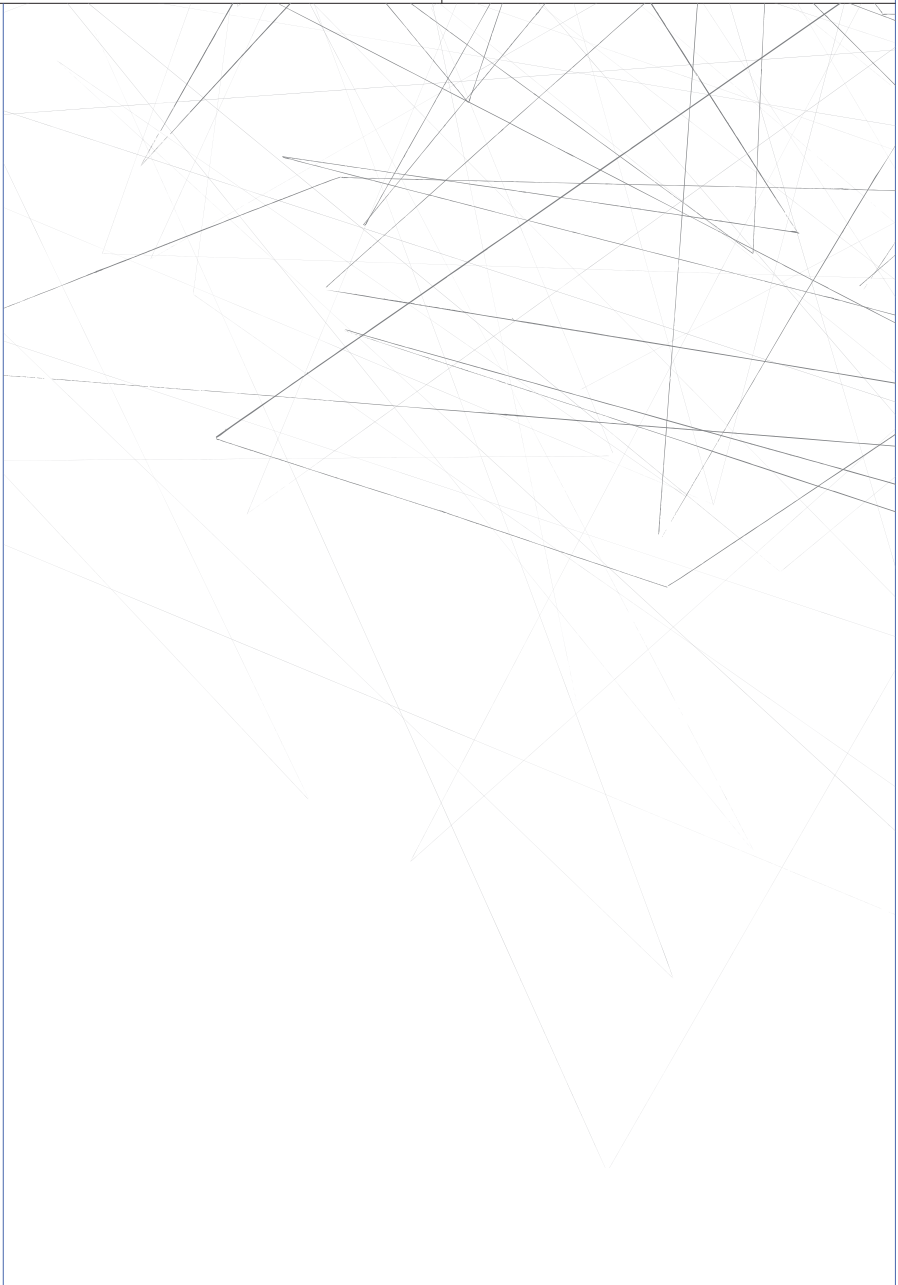
Source: Infomedia, search for "CBS", "Copenhagen Business School" or "Handelshøjskolen i København"

Slightly over half of CBS' statements appeared in net media. Not surprisingly, the so-called quote stories where media quote each other are widely circulated in online media. Part of the reason why the number of mentions on TV and radio is relatively low is that Infomedia does not capture all TV and radio hits and that most of the news media are online.

CBS was mentioned a total of 20,735 times in 2016.

FESTIVAL OF RESEARCH

During the Festival of Research, CBS gave three speeches: "Blues and leadership – leadership that powers creativity", "The power elite's way to the top" and "How can established firms become more entrepreneurial?". Besides these events, anyone interested could have a researcher visit, say, businesses, schools or at home during the festival. 12 researchers from CBS made themselves available and gave speeches on, among other topics, Big Data, Human Resource Management, tax havens and multinationals.



Development contract reporting 2016

PERFORMANCE 2016

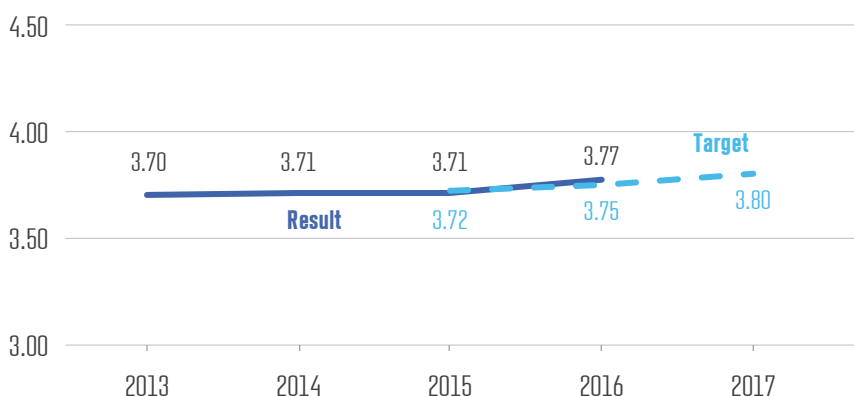
No. of achievement goals	✓ Met	≈ Partly met	✗ Not met
Programme quality	2		
Higher relevance and increased transparency	1		1
Improved educational system cohesion			1
Better internationalisation			1
Wider regional knowledge cooperation	2		
Higher research activity and research quality	4		
Contribution to society	1		
Diversity/gender ratio	1		
Total	11	0.0	3
Per cent	79%	0%	21%

Based on the announcement by the Ministry of Higher Education and Science in 2015, the goal relating to "Increased social mobility" has been removed from the development contract and been replaced by the goal relating to "Wider regional knowledge cooperation".

PROGRAMME QUALITY

Indicator	Goal 2016	Result 2016	Comments
1.1 Full-time programme student satisfaction Student satisfaction as weighted average (based on student population across all programmes)	3.75	3.77 ✓	CBS met the goal in 2016 due to an increase in the level of satisfaction among students on all five gauging parameters. Especially the score obtained by administrative services, which has been on the decrease in recent years, seems to have stabilised.

Figure 19 Average satisfaction at full-time programmes



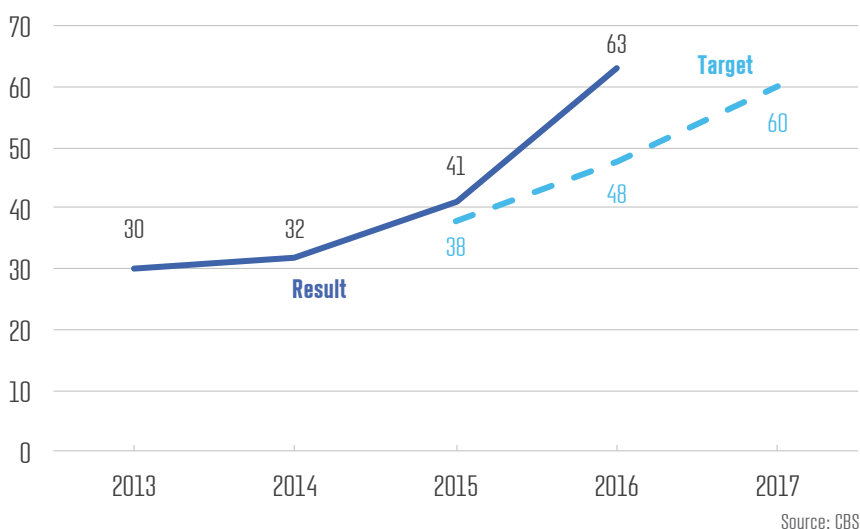
Source: CBS

The five gauging parameters are: recommendation of programme, programme administration, student environment, teaching and academic outcome.

PROGRAMME QUALITY

Indicator	Goal 2016	Result 2016	Comments
1.2 Online and blended learning (digital learning support) Increase in online and blended learning courses as a percentage	48	63 ✓	In 2016, CBS met the goal relating to an increased number of online and blended learning programmes. The 2016 goal was 48 online or blended learning programmes - and a total of 63 programmes were made available, representing an increase of 22 relative to 2015. The increase is due to a particularly high level of development activity in respect of diploma programmes where 15 of the 22 courses were developed in 2016.

Figure 20 No. of online and blended learning courses

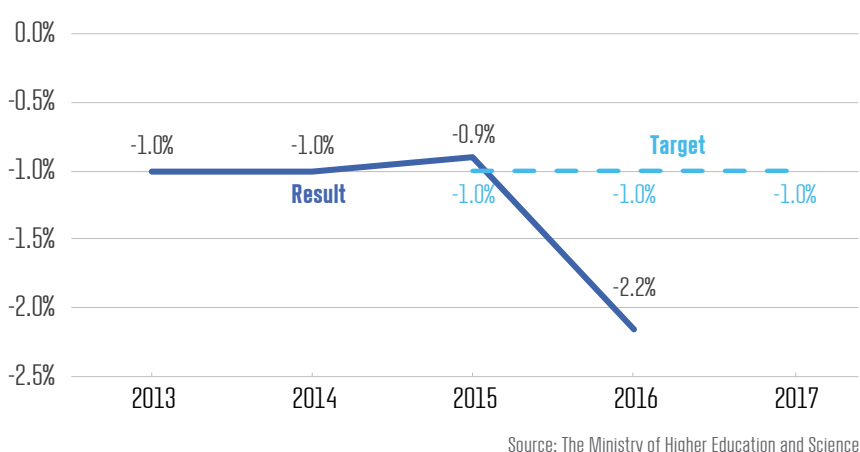


CBS wishes to maintain its strategic focus on online and blended learning programmes.

HIGHER RELEVANCE AND INCREASED TRANSPARENCY

Indicator	Goal 2016	Result 2016	Comments
2.1 Unemployment 4-7 quarters after graduation CBS' unemployment rate as the nr. of percentage points relative to the average for the entire sector. CBS should be lower than 1.0 percentage point	-1.0 percentage point	-2.2 percentage points ✓	The goal is for CBS' graduates to have a higher employment frequency than the average for other graduates. To measure this, the unemployment rate for CBS graduates should be at least 1.0 percentage point below the average for further education graduates.

Figure 21 Unemployment among CBS graduates relative to the entire sector

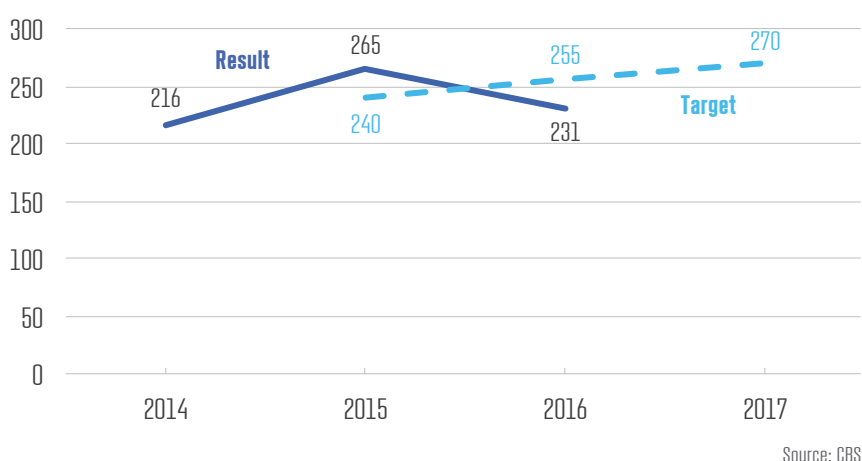


As the unemployment rate for CBS graduates is 2.2 percentage points below average, the goal is met. CBS focuses on employment for graduates. This is a recurring theme in the internal rotation evaluations where the current employment prospects are discussed with the programme director.

HIGHER RELEVANCE AND INCREASED TRANSPARENCY

Indicator	Goal 2016	Result 2016	Comments
2.2 New businesses No. of students having completed CSE's start-up programme	255	231 %	231 students have completed the Copenhagen School of Entrepreneurships (CSE) start-up of business programme. As the goal was 255 students in 2016, it has not been met.

Figure 22 No. of students having completed CSE's start-up programme



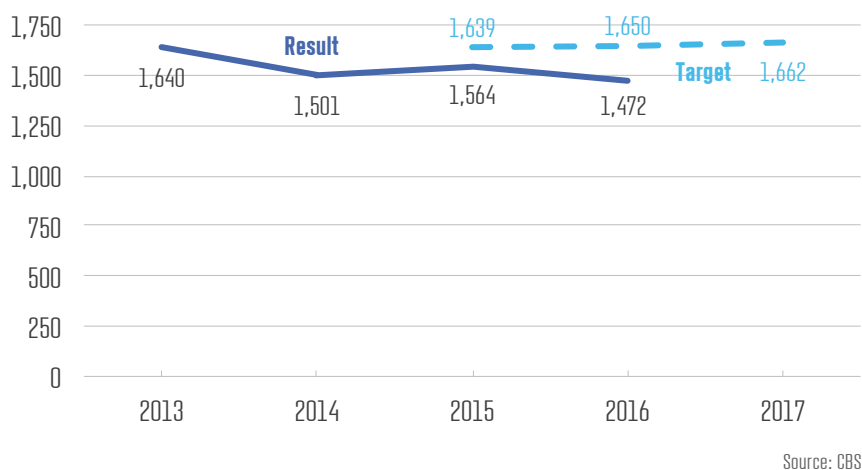
Due to the study progress reform, fewer students completed the business start-up programme in 2016. However, the number of students generally showing an interest in the programme remains stable. But because the programme takes nine months to complete, fewer students have the time required.

CSE is in the process of arranging that the students can choose the start-up of business programme as part of a trainee period in own business and get ECTS points for it. CSE expects this initiative will make more students complete the programme in 2017.

IMPROVED CONTINUITY AND COOPERATION

Indicator	Goal 2016	Result 2016	Comments
3.1 Students at diploma and master programmes Number of student FTEs at diploma and master programmes	1,650	1,472 %	The goal for the number of student FTEs admitted to diploma and master programmes in 2016 was 1,650, but since the number was only 1,472 student FTEs in the year, the goal is not met.

Figure 23 Student FTEs on diploma and master programmes



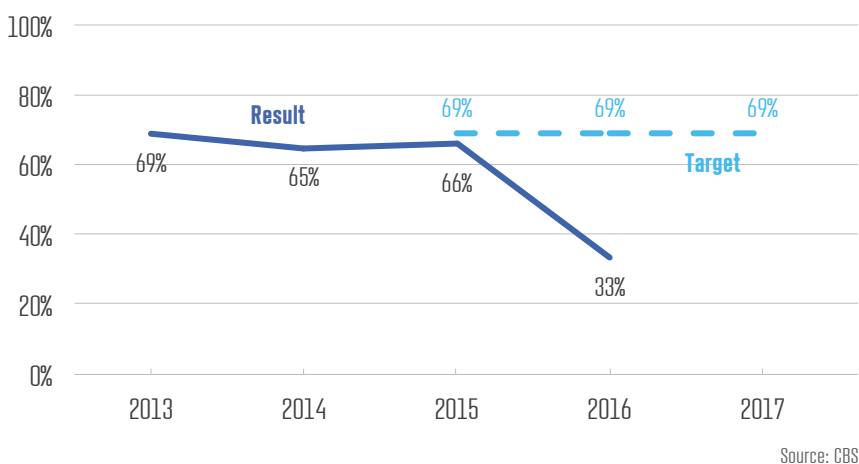
The decrease in the number of student FTEs from 2015 to 2016 is primarily attributable to diploma programme (HD1) students. The result should be seen in light of the general decrease in the market for continuing and further education programmes – a decrease also affecting CBS.

In close dialogue with the Ministry of Higher Education and Science and the other providers of diploma programmes, CBS is considering how these programmes can best be planned in future to ensure an attractive supply of continuing and further education programmes. Meeting this goal in 2017 will be a challenge to CBS, since merely maintaining an activity at its current level calls for a focused effort.

INTERNATIONALISATION

Indicator	Goal 2016	Result 2016	Comments
4.1 Graduates on exchange programmes Ratio of graduates on exchange programmes as a percentage.	69%	33% ✘	The ratio of graduates on exchange programmes was 33% in 2016. As the goal was 69%, it has not been met. The exceeding of the goal is significant due to the extraordinarily high number of graduates in 2016. The number of master programme graduates grew more than 80% on 2015 in consequence of the study progress reform and a number of study-related initiatives which have implied, among other things, that students who were lagging behind relative to the scheduled duration of the study programme have now graduated.

Figure 24 No. of graduates on exchange programmes

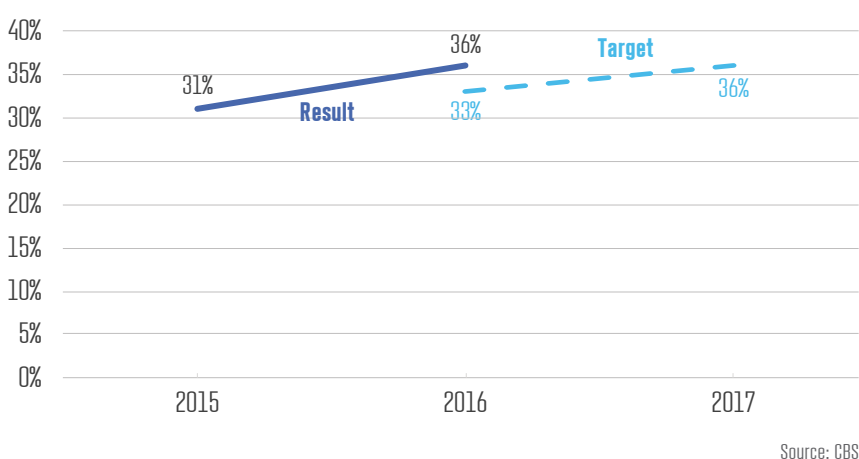


A small decrease in the number of exchange students has been recorded. The goal set in the development contract to maintain the level for students on exchange programmes is still considered ambitious, e.g. due to the students' study conditions in consequence of the study progress reform. CBS is still focusing on ensuring good conditions for exchange students.

WIDER REGIONAL KNOWLEDGE COOPERATION

Indicator	Goal 2016	Result 2016	Comments
5.1 Increase the ratio of one-day programmes Number of one-day programmes relative to the total number of programmes	33%	36% ✔	In 2016, CBS met the goal relating to the ratio of one-day diploma programme courses. The goal for 2016 was for 33% of all diploma programmes to be supplied on individual days, but the realised goal was 36%. With the implementation of blended learning, focus will be on delivering the teaching activities and group them in fewer and full days by means of blended learning elements between the sequences.

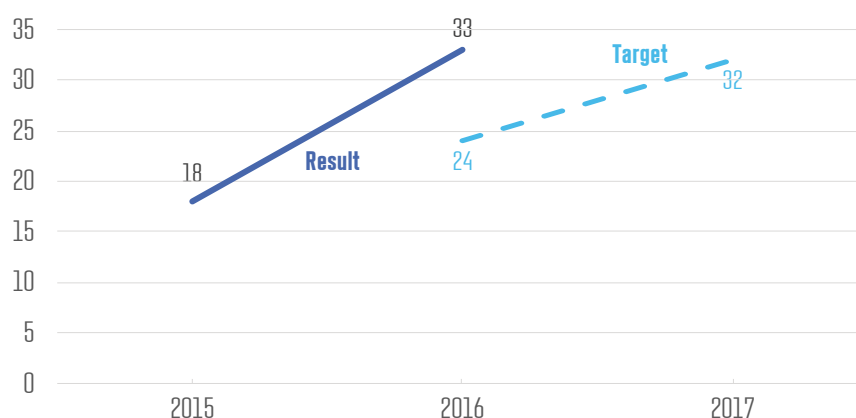
Figure 25 Ratio of one-day programmes



WIDER REGIONAL KNOWLEDGE COOPERATION

Indicator	Goal 2016	Result 2016	Comments
5.2 Expand the supply of online and blended learning programmes No. of courses	24	33 ✓	CBS met the goal to increase the number of online and blended learning programmes in the diploma programme area in 2016, having increased the number to 33, whereas the goal was 24. CBS expects to further increase the number in the next year.

Figure 26 No. of online and blended learning programmes



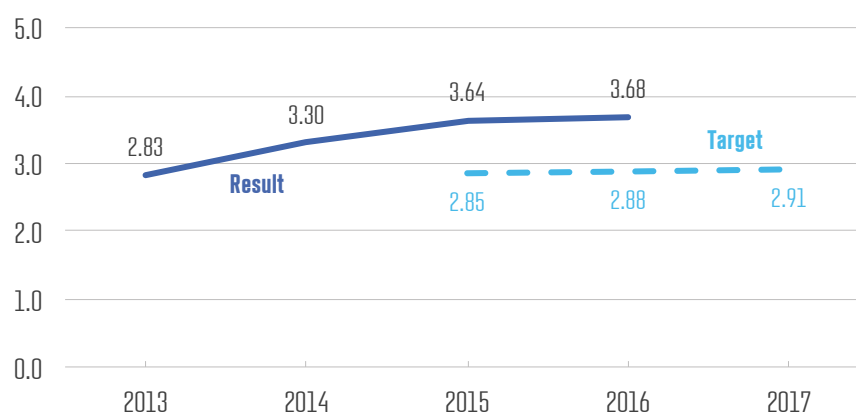
Source: CBS

The increased supply is the result of a great effort and cooperation between the programme management, programme coordinators and the Teaching & Learning unit.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2016	Result 2016	Comments
6.1 Higher research activity Research activity in terms of BRI (bibliometric research indicator) points relative to research FTEs	2.88	3.68 ✓	Research activity is measured based on the national bibliometric research indicator (BRI), which reflects the volume of publications measured as points in a given period.

Figure 27 No. of BRI points relative to research FTEs



Source: The Ministry of Higher Education and Science and CBS

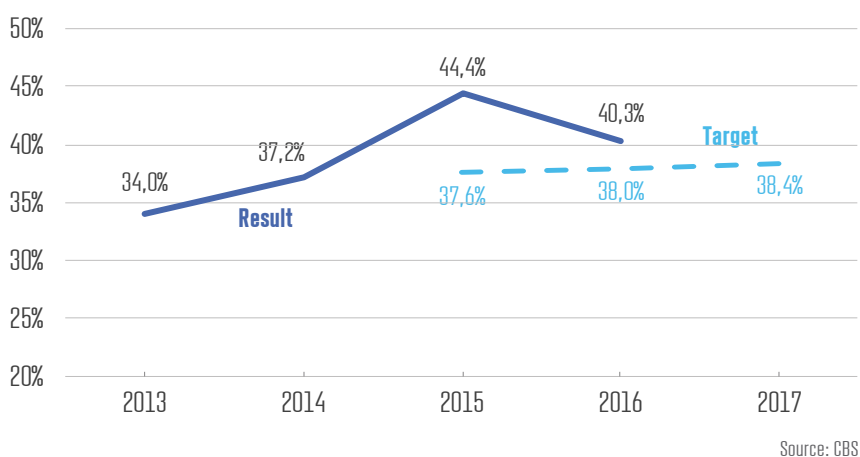
CBS met the goal to increase the number of BRI points per permanently employed research FTE in 2016, even through the number of BRI points has decreased slightly.

The number of BRI points in 2016 derives from 2015 publications.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2016	Result 2016	Comments
6.2 Higher research activity Research activity measured by BFI2 articles relative to the total number of BRI articles as a percentage	38.0%	40.3% ✓	CBS met the goal to increase the number of articles published in high-ranking BRI magazines (BRI level 2 articles) in 2016. The ratio of BRI 2 articles in 2016 was 40.3% of the total number of published BRI articles. The goal was 38.0%. The decrease from 2015 to 2016 should be seen in light of extraordinary high number of BRI 2 articles in 2015.

Figure 28 BRI 2 articles as the ratio of the total no. of BRI articles

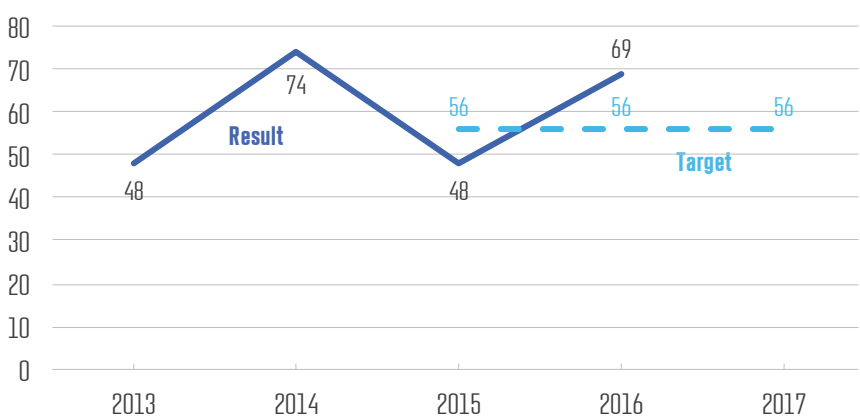


The assessment of whether the goal has been met is made according to the most recent assessment year. This means that the number of BRI articles counted in 2016 concerns publications reported in 2015.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2016	Result 2016	Comments
6.3 Higher research quality No. of articles published in magazines on the ABS 4 and 4* lists	56	69 ✓	The goal reflects the number of scientific articles published in magazines on the ABS list. ABS stands for "The UK Association of Business Schools" and ranks business school-relevant magazines on a 1-4* scale where 1 is the lowest and 4 and 4* are the highest. The ABS list does not cover all of CBS' subjects, men merely comprise publications in the fields of Accounting, Economics, Information Management, Organizational Studies, Operations Research and Management Science and Strategic Management.

Figure 29 No. of articles published in the ABS 4 and ABS 4* lists



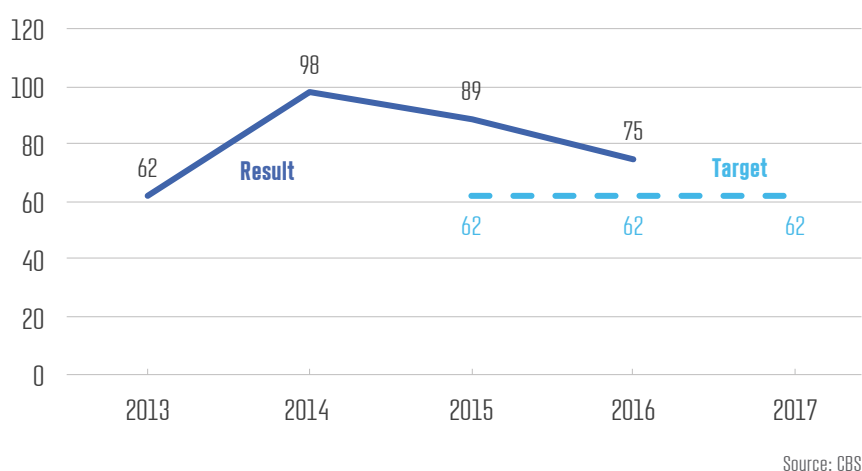
Note: The goals for 2015-2017 have been revised after the completion of the development contract. The change is due to changes in the ABS lists, and in the development contract, CBS has reserved its right to make changes on the basis of changes in the ABS list.
Source: CBS

CBS met the goal relating to the number of articles published in magazines on the ABS 4 and 4* lists in 2016. The 2016 goal was 56 articles, but CBS published 69 articles. CBS considers the result satisfactory. It is also positive that the number of articles published in 2016 was higher than in 2015.

HIGHER RESEARCH ACTIVITY AND RESEARCH QUALITY

Indicator	Goal 2016	Result 2016	Comments
6.4 Higher research quality No. of articles published in FT45 publications	62	75 ✓	FT45 is a list on which Financial Times ranks the 45 best business school-relevant magazines. As it includes fewer magazines than the ABS list, FT45 is a narrower list. The list reflects the number of articles published in the magazines on the list. Thus, FT45 does not cover all of CBS' research areas.

Figure 30 No. of articles published in publications on the FT45 list



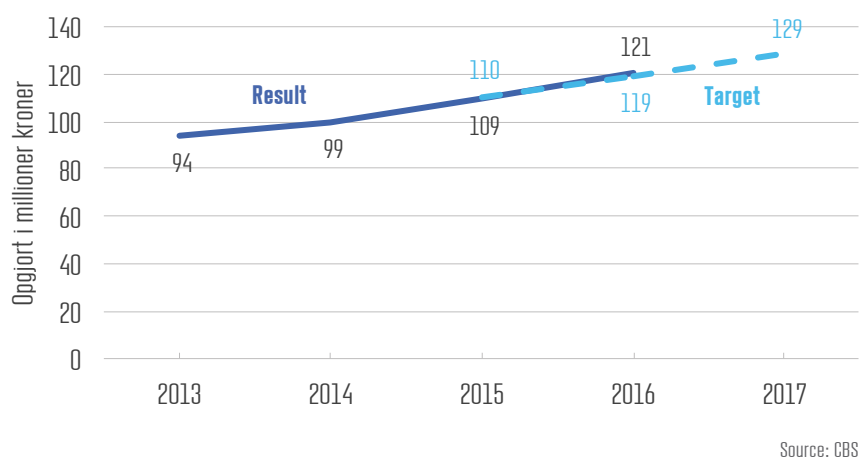
CBS met the goal relating to number of articles published in magazines on the FT45 list. The 2016 goal was 62 articles, but CBS published 75 articles. CBS considers the level attained satisfactory. However, the number fell from 2014 to 2016, which should be seen in light of the fact that 2014 was a particularly good year.

The number of articles published in magazines on the list is made up as the sum of articles published in a 2-year period: the current year and the past year.

CONTRIBUTION TO SOCIETY

Indicator	Goal 2016	Result 2016	Comments
7.1 Externally funded research (DKKm)	119.1	120.5 ✓	As the result for 2016 is 120.5 million, the goal has been met. The result is due to CBS' particular focus on increasing externally funded research activities for a number of years.

Figure 31 Externally funded research activity, current prices



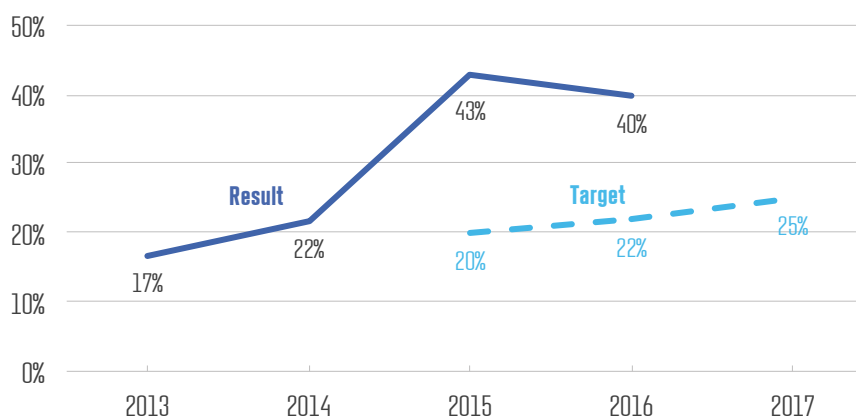
CBS considers the result satisfactory. It is positive that CBS obtains external funding of an increasing share of its research activities.

The DKK 120.5 million is inclusive of donations of approx. DKK 0.5 million in total.

GENDER RATIO

Indicator	Goal 2016	Result 2016	Comments
8.1 Gender ratio Ratio of qualified, female applicants for professorships	22%	40% ✓	CBS meets the goal for the ratio of qualified, female applicants for professorships. However, this ratio should be seen in the light of the very few applicants in 2016, because 2016 was characterised by the stop to new hires.

Figure 32 Ratio of qualified, female applicants for professorships



Source: CBS

Financial statements

COMMENTS ON THE PROFIT FOR THE YEAR

CBS reports profit of DKK 45 million for 2016, which is very much a consequence of a markedly higher level of income compared to the expectations expressed at the beginning of the year. Further to its implementation of the study progress reform, CBS has seen a marked change in student behaviour, and the number of graduates rose quite extraordinarily by 88% from 2015 to 2016. This implied extra student FTE income in the order of DKK 42 million compared to the expectations expressed at the beginning of the year. In addition, CBS received an extraordinary basic research grant of DKK 20 million at the end of December 2016 as well as an extraordinary grant relating to reversal of a Budget item of DKK 1.5 million.

Thus, the profit for 2016 is a result of extraordinary events and, unfortunately, does not reflect an improvement of CBS' general framework conditions, as CBS still receives the lowest basic research grant per student FTE, just as CBS is going, in the years ahead, to continue to see a decrease in income due to the annual 2% savings on the governmental performance-based funding (the realignment contribution).

At the same time, the profit for the year is a consequence of a relatively conservative approach to both budget and consumption, which should, not least, be seen in light of CBS' efforts to adapt activities to the Government's 2% savings and the uncertainties associated with the fact that a large share of the educational grants have been made dependent, through the progress bonus, on whether CBS attains a specific target for a reduction of the students' average period of study.

The last parts of CBS savings plan for 2015 were finally implemented in 2016, resulting in payroll costs, in particular relating to

academic staff. These savings have implied high pressure on academic staff, not least seen in light of the marked increase in the number of theses handed in. As a consequence, it has been necessary to recruit more part-time academic staff, meaning that the ratio between academic staff and part-time academic staff is now at the level mentioned by CBS in the preamble to the development contract as the expected level.

At the beginning of 2016, CBS decided to implement a new financial plan, "Financial Balance 2019", which is to contribute to ensuring balance in CBS financial situation in 2019 – in spite of the annual 2% reductions in the Government's performance-based funding.

The plan includes some specific initiatives relating to savings and adjustments, most of which were implemented during 2016. But, most importantly: the plan includes a number of initiatives aiming at increasing CBS' income basis so that a financial balance can be achieved in 2019. These initiatives include realisation of the full bonus potential in the study progress reform, more external research funds and increased activity in the area of continuing and further education. To support these activities, CBS' Board of Directors decided to establish an investment pool to take effect in 2016 and 2017.

Thus, 2016 was a year of investments, particularly reflected in increased payroll costs in relation to administrative staff. For instance, extra resources were spent on handling new processes and rules in connection with the study progress reform and in relation to being able to handle the many extra students who handed in their master thesis during the year and who have graduated.

It is yet too soon to say something specific about the effect of these investment efforts,

but matters seem to be developing in the right direction. For instance, indications are that the period of study has gone significantly down and that the external funding is on the increase.

Consequently, CBS' equity at year-end 2016 totals DKK 273 million, well above the minimum level of DKK 180 million set by the Board of Directors and considered to be a good point of departure for 2017 onwards. On this basis, there will be a little more financial latitude in connection with the transformation of the business model until future grant models have been clarified.

INCOME STATEMENT

		2016	2015
	Note	(DKK'000)	(DKK'000)
Performance-based funding		673,513	648,191
Basic research funding and other government funding		354,265	345,125
Externally funded projects		119,943	109,308
Tuition fees paid by students		161,712	157,035
Other income	2	40,312	42,025
Total operating expenses		1,349,745	1,301,684
Payroll costs	3	867,031	842,320
Rent and real property tax		105,771	103,958
Operation and maintenance of buildings		65,722	58,318
Other operating expenses	4	219,045	230,767
Total operating expenses		1,257,569	1,235,363
Profit before amortisation/depreciation and net financials		92,176	66,321
Depreciation of buildings	5	24,232	22,475
Depreciation of non-current assets, excl. buildings	5	5,535	6,322
Profit before net financials		62,409	37,524
Financial expenses		17,116	22,382
PROFIT FOR THE YEAR		45,293	15,142

BALANCE SHEET

ASSETS		31/12/2016	31/12/2015
	Note	(DKK'000)	(DKK'000)
IT systems, licences, etc.		833	1,628
Total intangible assets	5	833	1,628
Land and buildings		997,165	1,011,628
Leasehold improvements		110,382	118,582
Construction in progress		19,367	6,196
IT equipment, etc.		12,618	17,358
Total property, plant and equipment	5.6	1,139,532	1,153,764
Investments		5,479	5,479
Rent deposits		30,000	33,242
Total investments	5	35,479	38,721
Total non-current assets	5	1,175,844	1,194,113
Trade receivables		14,117	24,625
Receivables from current grants		33,234	28,641
Other receivables		5,135	11,370
Prepayments		6,942	3,459
Total receivables		59,428	68,095
Cash		184,773	116,198
Total current assets		244,201	184,293
TOTAL ASSETS		1,420,045	1,378,406

BALANCE SHEET

LIABILITIES		31/12/2016	31/12/2015
	Note	(DKK'000)	(DKK'000)
Equity		272,997	227,704
Total equity		272,997	227,704
Provisions	7	29,873	25,118
Government loans	6	188,535	188,535
Mortgage debt	6,8	571,731	602,365
Balance with the Government		12,255	15,650
Total long-term liabilities		772,521	806,550
Trade payables		35,292	32,035
Compensated absence commitment		91,936	91,572
Prepayments received, current grants		60,276	55,125
Other short-term liabilities		47,262	38,925
Deferred income		109,888	101,005
Accrued special grants		-	372
Total short-term liabilities		344,654	319,034
Total liabilities		1,117,175	1,125,584
TOTAL EQUITY AND LIABILITIES		1,420,045	1,378,406

Reference is otherwise made to the following three notes:

Note 9: Contractual obligations

Note 10: Unspent funding, research projects

Note 11: List of accumulated profit/loss from income-generating activity

CASH FLOW STATEMENT

	2016	2015
	(DKK'000)	(DKK'000)
Profit for the year	45,293	15,142
Amortisation, depreciation and other non-cash operating items	33,342	31,933
Change in receivables	8,666	8,083
Change in short-term liabilities	25,619	-4,219
Change in provisions	4,755	570
Value adjustments of securities and investments	-	210
Cash flows from operating activities	117,675	51,719
Investments in intangible assets	-	-1,490
Investments in property, plant and equipment	-14,740	-47,070
Investments in financial assets	3,242	-336
Cash flows from investing activities	-11,498	-48,896
Repayment of mortgage debt	-34,207	-29,897
Raising of new loan	-	39,207
Payment from portfolio	-	25,127
Balance with government	-3,395	-
Cash flows from financing activities	-37,602	34,437
Total change in cash and cash equivalents	68,575	37,260
Cash and cash equivalents at 1 January	116,198	78,938
Cash and cash equivalents at 31 December	184,773	116,198

STATEMENT OF CHANGES IN EQUITY

	2016	2015
	(DKK'000)	(DKK'000)
Equity at 1 January	227,704	212,562
Retained earnings	45,293	15,142
Equity at 31 December	272,997	227,704

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Accounting policies

GENERAL

The financial statements are prepared in accordance with Part 8 of Statutory Order on state accounting, etc. no. 70 of 27 January 2011, issued by virtue of the Danish State Accounting Act, etc. no. 131 of 28 March 1984 with the requirements as to additional schedules to the financial statements provided for in Part 4 of Statutory Order no. 1063 of 30 June 2016 on funding and the financial reporting of universities, etc. (the Statutory Order).

The annual report is presented in DKK thousands and has been prepared on a cost basis. The accounting policies used in the preparation of the financial statements are consistent with those of previous years.

INCOME STATEMENT

INCOME

Government funding allocated directly to CBS is recognised as income in the year to which it relates. Government funding, including estimated performance-based income, is received as monthly amounts on account based on estimated student FTEs. In October, the actual number of student FTEs is computed, and the amounts received in the last months of the year are adjusted accordingly.

External grants and donations subject to specific conditions are recognised as income as costs are incurred. External grants and donations that are not subject to specific conditions are recognised as income when received.

Tuition fees for part-time education/Open Education programmes and income from other sales and renting are recognised as income in the year to which the income relates.

EXPENSES

Expenses are recognised in the year to which they relate; goods and services are recognised at the time of delivery.

Financial expenses comprise interest, fees, etc. relating to loans, amortisation of capital losses in connection with loan refinancing and newly raised loans. If the refinancing results in a capital loss of 10% or more, the capital loss is written off, whereas the loss is distributed over the remaining life of the rescheduled loan if it is lower than 10%.

TAX LIABILITY

CBS is not liable to tax.

BALANCE SHEET

Within the framework of the Statutory Order, CBS has decided the following:

- The lower threshold for recognition of fixed assets is DKK 100,000.
- Assets are not lumped.
- Cost and production inventories are not capitalised.
- New buildings put into service before 2011 are depreciated over 100 years, completely renovated buildings put into service before 2011 are depreciated over 80 years, other buildings are depreciated over 50 years from the date they are put into service. Buildings put into service after 1 January 2011 are depreciated over 50 years.

A materiality limit of DKK 100,000 has been set for the recognition of isolated improvements.

BASIS OF RECOGNITION AND MEASUREMENT

Assets are recognised in the balance sheet when they are expected to be used for more than one financial year and can be measured reliably.

Liabilities are recognised in the balance sheet when they are highly probable and can be measured reliably.

FIXED ASSETS

Assets are measured at cost less accumulated amortisation/depreciation and impairment losses. Amortisation/depreciation is provided using the straight-line method, and residual values are not taken into account. Government rules do not allow other methods of accounting.

Intangible assets comprise completed development projects, patents, acquired concessions, licences, etc.

Intangible assets are amortised from the date they are put into service over the following useful lives:

- Proprietary IT systems: 8 years
- Improved standard IT systems: 5 years
- Patents: Life of right
- IT licences/software: 3 years
- Licences with contractual duration: Life of right

Development projects are capitalised when approved by the Board of Directors as being of strategic value and representing significant size and life.

Internal time spent on the development of proprietary assets is capitalised only if the project is considered to be of strategic importance for CBS or has a value exceeding DKK 10 million.

Internal resources in the form of salaries, etc. spent during the development phase are recognised when they make up a significant share of total development costs and add real value. Production overheads are recognised to the extent that they can be defined and attributed to the project in a reasonable and consistent manner.

Educational and research activities are not capitalised, except for activities that are defined and identifiable and in respect of which the technological and commercial feasibility/a potential market can be demonstrated.

Patents are measured as completed development projects. The cost includes external costs incurred to test innovations and register patents. The right is amortised over its actual useful life.

Acquired concessions, licences, etc. primarily comprise software licences. These are recognised at the value of any one-off payments on acquisition and the value of payments covering more than one year.

Property, plant and equipment comprise land and buildings, leasehold improvements (premises completed or under construction), plant and machinery, transport equipment, IT equipment, other tools and equipment and assets under construction.

ITEMS OF PROPERTY, PLANT AND EQUIPMENT ARE DEPRECIATED FROM THE DATE THEY ARE PUT INTO SERVICE OVER THE FOLLOWING USEFUL LIVES:

Buildings put into service before 2011:

• New buildings	100 years
• Property improvements/complete renovations	80 years
• Other buildings	50 years
• Buildings put into service after 1 January 2011:	50 years
• Installations	20 years
• Property improvements	10-20 years
• Leasehold improvements	10-20 years
• Plant and machinery	10 years
• Cars	5 years
• IT (hardware, audio-visual equipment, etc.)	3-5 years
• Tools and equipment	3-5 years

Land is not depreciated.

Library material collections are not capitalised.

Art above DKK 100,000 is capitalised, but not depreciated.

The cost of land and buildings includes finance costs, see the letter dated 19 December 2011 from the Danish Agency for Higher Education.

The cost of installations made prior to or in connection with the occupation of own buildings is set at 10% of the original property value. Subsequent installations above DKK 100,000 are recognised at cost or at 10% of total property renovation costs when it is difficult to make a reliable segregation.

Leasehold improvements are recognised if the costs are paid by CBS

and if they are major, fixed improvements above DKK 100,000. Tools and equipment and IT (hardware, audio-visual equipment, etc.) acquired in connection with the occupation of new leases are capitalised if the total amount of tools and equipment and IT, respectively, exceeds DKK 100,000. IT and tools and equipment acquired for existing leases are not lumped and are generally recognised in the income statement.

The cost of assets under construction includes direct materials, time spent, components, sub-supplier services and finance costs as well as a portion of production overheads when they are clearly defined and can be attributed to the project in a reasonable and consistent manner. The final cost and classification are determined upon completion of the construction.

The final cost and classification are determined upon completion of the construction. Receivables and balances falling due within one year are recognised under "Investments" as well. Financial assets are measured at amortised cost.

CURRENT ASSETS

Current assets comprise trade receivables, amounts owed from current grants and prepayments.

Receivables are recognised at the nominal amount less provisions for bad debts. All significant receivables are assessed separately.

Prepayments comprise prepaid expenses regarding subsequent reporting years (insurance premiums, prepaid wages and salaries, etc.).

LIABILITIES

Liabilities comprise provisions, long-term liabilities (government and mortgage debt) and short-term liabilities.

Government and mortgage debt is measured at amortised cost, which implies that government debt is measured at the nominal debt outstanding.

Short-term liabilities are measured at net realisable value.

Deferred income comprises payments received concerning income in subsequent reporting years and prepaid restricted grants.

Research grants received by donors are recognised as deferred income and recognised under "Received prepayments from current grants" and are taken to income as project expenses are incurred.

Provisions are recognised when, at the balance sheet date, the institution has a legal or constructive obligation and it is probable that the obligation is to be settled. Provisions are measured at net realisable value.

OFF-BALANCE SHEET ITEMS

Off-balance sheet items comprise information about contingent liabilities, contractual obligations and residual grants in respect of ongoing research projects.

Significant liabilities in the form of leases and rent agreements are disclosed under "Contractual obligations".

Only leases, etc. with a term of more than 12 months are disclosed. Any significant pending lawsuits brought against CBS whose outcome cannot be assessed at the time of the financial reporting are disclosed under "Contingent liabilities".

FOREIGN CURRENCY TRANSLATION

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

Monetary items denominated in foreign currencies are translated into Danish kroner at the exchange rates at the balance sheet date. Realised and unrealised foreign exchange gains and losses are recognised in the income statement as financial income or financial expenses.

CASH FLOW STATEMENT

The cash flow statement shows CBS' net cash flows, the year's changes in cash and cash equivalents and cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are stated as the profit or loss for the year adjusted for non-cash operating items, changes in receivables and short-term liabilities.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets and securities related to investing activities.

Cash flows from financing activities comprise borrowings and repayments of debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

FINANCIAL STATEMENTS ACCORDING TO PURPOSE

In the financial highlights and the supplementary information, expenses are classified according to purpose using the guidelines issued by the Ministry of Higher Education and Science. Expenses that are not directly attributable to the purposes stated are distributed by means of scales.

Note 2 Other income

	2016	2015
Conferences, awards and gifts	7,916	9,914
Sale of goods and services	12,474	11,028
Government cooperation	6,586	7,350
External funding	8,619	10,639
Other income	4,717	3,094
Total	40,312	42,025

Note 3 Payroll costs

	2016	2015
Full-time academic staff – ADS	398,647	416,849
Part-time academic staff – PADS	121,233	105,708
Technical and administrative staff – TAS	346,613	317,780
Shared payroll costs	538	1,983
Total	867,031	842,320

Note 4 Other operating expenses

	2016	2015
Conferences and business trips	51,345	48,329
Office expenses	34,156	34,263
Consultants (for research and educational purposes and technical and management consultants)	42,098	42,086
IT equipment and software	34,739	39,612
Books, magazines, etc.	22,237	26,077
Other	34,470	40,400
Total	219,045	230,767

Note 5 Non-current assets

	Intangible assets	Land and buildings	Lease- hold improve- ments	Assets under construc- tion	IT equip- ment, etc.	Invest- ments	Total
Cost at 01/01/2016	14,916	1,210,849	137,045	6,196	37,315	38,721	1,445,042
Additions during the year	-	1,569	-	13,171	-	153	14,893
Transfers during the year	-	-	-	-	-	-	-
Disposals during the year	362	-	-	-	-4,434	-3,395	-7,467
Cost at 31/12/2016	15,278	1,212,418	137,045	19,367	32,881	35,479	1,452,468
Acc. amort./depr. at 01/01/16	13,288	199,221	18,463	-	19,957	-	250,929
Amortisation/depreciation for the year	795	16,032	8,200	-	4,740	-	29,767
Disposals, acc. amort./depr.	362	-	-	-	-4,434	-	-4,072
Acc. amort./depr. at 31/12/2016	14,445	215,253	26,663	-	20,263	-	276,624
Cost at 31/12/2016	833	997,165	110,382	19,367	12,618	35,479	1,175,844

Investments comprise deposits (DKK 33,169 thousand) and equity investments in Symbion A/S (DKK 5,479 thousand), corresponding to 6.3% of the share capital.

Note 6 Land, buildings and leasehold improvements (excl. premises under construction)

	Carrying amount of land at 31/12/2016	Carrying amount of building at 31/12/2016	Total carrying amount at 31/12/2016	Mortgage loans	Gov. loans	Public land assessment value 2014
Howitzvej 11-13	3,336	25,744	29,080	42,276	-	27,500
Howitzvej 60	10,693	32,684	43,377	32,845	5,661	62,000
Solbjerg Plads 3	60,314	412,954	473,268	266,962	119,384	737,000
P. Andersensvej 17-19	3,843	6,675	10,517	5,113	1,051	9,700
Kilevej 14A	34,158	230,323	264,480	176,105	56,281	417,000
P. Andersensvej 3	14,636	-	14,636	4,260	-	26,027
Porcelænshaven 7	1,979	7,734	9,713	-	-	8,900
Construction of space, Solbjerg Plads	-	5,505	5,505	-	6,158	-
Porcelænshaven 22	2,429	104,917	107,346	44,170	-	41,000
St. Blichersvej 22	1,847	7,215	9,062	-	-	4,500
Howitzvej 30	10,450	19,732	30,182	-	-	34,500
Total land and buildings	143,685	853,483	997,166	571,731	188,535	1,368,127
Nyholmsvej 21 - leasehold improvements			101,008			
Other premises - leasehold improvements			9,374			
Total leasehold improvements			110,382			
Total			1,107,548	571,731	188,535	1,368,127

Government loans are free of interest and repayments.

Note 7 Provisions

	31/12/2016	31/12/2015
Provision for leasehold renovation	17,226	16,142
Other provisions	12,647	8,976
Total	29,873	25,118

Note 8 Mortgage debt

Term to maturity:	31/12/2016	31/12/2015
0-1 year	31,678	31,262
1-5 years	131,480	127,288
After more than 5 years	408,573	443,815
Total	571,731	602,365

Note 9 Contractual obligations

CBS has contractual obligations comprising leases and rent agreements. Commitments in the non-cancellable period are as follows:

	31/12/2016	31/12/2015
Lease, Sdr. Fasanvej 9	3,202	3,124
Lease, Dalgas Have	50,781	82,357
Leases, Porcelænshaven	59,058	65,740
Lease, Amager Strandvej 108	20,681	25,372
Lease, Dirch Passers Allé	14,771	22,140
Lease, H.V.	43,244	50,247
Lease, Solbjergvej 3, 1st and 3rd floors	439	2,471
Other	2,767	2,740
Total	194,943	254,191

Only non-cancellable terms exceeding 12 months are included.

Note 10 Unspent funding, research projects

Funding for externally funded research at CBS which has not yet been used is computed as funding donated for research projects in progress less costs already incurred on these projects.

Funding donated for research projects in progress reflects funding for specific research projects promised by donors. Funding is thus earmarked for specific research projects. Such funding may be subject to certain conditions, e.g. that any residual amount after finalisation of the project must be repaid to the donor.

Expenses relating to research projects in progress are stated as expenses already incurred on specific research projects funded by grants received for the project in question.

Accordingly, unspent funding for research projects in progress reflects funding for specific projects promised by donors less expenses already incurred.

UNSPENT UK95 FUNDING

Donor	Grants donated for research projects in progress		Expenses incurred on projects in progress		Residual amount, research projects in progress	
	2016	2015	2016	2015	2016	2015
Government	195,657	194,987	134,888	104,480	60,769	90,506
Public	16,592	32,723	11,049	25,720	5,543	7,003
EU	96,617	101,225	53,548	57,044	43,069	44,182
Private	254,650	210,079	106,250	78,483	148,400	131,596
Abroad	16,514	18,128	8,086	12,535	8,429	5,593
Total	580,030	557,142	313,821	278,262	266,210	278,880

Note 11 List of accumulated profit/loss from income-generating activity

	2013	2014	2015	2016
Income	2,995	1,534	2,248	3,303
Direct and indirect expenses	1,065	849	500	931
Profit	1,930	685	1,748	2,372
Acc. profit/loss	13,775*	14,460	16,208	18,580

*The accumulated profit/loss for 2013 includes the accumulated profit/loss for the period 2007-2013.

SUPPLEMENTARY INFORMATION

a. Separate financial statements concerning subsidised research activities, other subsidised activities and income-generating activities.

DKKm	2012	2013	2014	2015	2016
Subsidised research activities UK-95:					
Grants, etc.	91.72	92.06	97.00	108.42	119.94
of which operating income and government transfers	-1.30	0.71	0.30	0.00	0.00
Expenses	91.72	92.06	97.00	108.42	119.94
of which overheads	17.75	16.14	15.60	18.15	18.66
Profit for the year	0.00	0.00	0.00	0.00	0.00
Other subsidised activities UK-97					
Grants, etc.	11.08	8.39	7.14	10.64	8.21
of which operating income and government transfers	4.61	0.01	0.00	0.00	0.00
Expenses	11.08	8.39	7.14	10.64	8.21
of which overheads	-1.19	0.09	0.08	0.08	0.15
Profit for the year	0.00	0.00	0.00	0.00	0.00
(Commercial) income-generating activities UK-90:					
Total income	2.14	3.00	1.53	2.25	3.30
Expenses	0.92	1.07	0.85	0.50	0.93
Profit for the year	1.22	1.93	0.68	1.75	2.37

b1. Financial statements according to purpose

DKKm	2012	2013	2014	2015	2016
Education	639.3	641.7	658.8	682.9	713.9
Research	475.5	491.2	495.1	478.7	460.7
Dissemination and knowledge exchange	37.1	39.7	42.0	46.2	44.7
General management, administration and services	79.8	81.4	80.0	78.6	85.1
Total	1,231.7	1,254.0	1,275.9	1,286.4	1,304.4

b2. Income distribution

DKKm	2012	2013	2014	2015	2016
Education	754.7	763.2	764.0	805.1	838.0
Research	242.9	255.5	260.5	293.6	292.3
External funds	103.2	104.7	107.8	122.2	131.6
Basic funding	72.9	59.0	60.8	51.7	59.2
Other income	62.0	51.5	45.8	29.0	28.6
Total	1,235.7	1,233.9	1,238.8	1,301.6	1,349.7

Financial income is included.

c. Disclosures on capital contributed to foundations whose primary objective is to establish housing close to the university under section 10(2) of the act on public research institutions' commercial activities and cooperation with foundations

CBS did not contribute capital to such foundations in 2016.

d. Disclosures on contributions to or acquisition of shares in companies under section 4(1) and 4a(1) of the act on public research institutions' commercial activities and cooperation with foundations

CBS did not make any additional grants to Forskerparken Symbion in 2016; nor contributed funds in or acquired shares in companies for the university's education programmes abroad.

e. Disclosures on income and expenses related to the companies mentioned under d above under section 4(1) and 4a(1) of the act on public research institutions' commercial activities and cooperation with foundations

CBS had no income or expenses in relation to such companies in 2016.

e. Disclosures on ownership interests in companies under section 4(1) of act no. 483 of 9 June 2004 on Technology Transfer at Public Research Institutions

CBS had no income or expenses in relation to such companies in 2016.

f. Overview of expenses relating to political and other student activities

DKKm	2012	2013	2014	2015	2016
Expenses relating to political and other student activities	3.4	2.3	2.2	3.0	3.1

h. Disclosures on foundations, organisations, etc. with which CBS has entered into special non-commercial cooperation arrangements

CBS Executive, CBS Academic Housing, the Scholarship Foundation for Students at Copenhagen Business School, the SL Foundation (Samfundslitteratur, Academic Books), Copenhagen Business School Press (Erhvervsøkonomisk Forlag S/I), Account Data A/S, Symbion, the Danish Maritime Foundation, the Egmont Foundation and the Danish Industry Foundation. In addition, CBS cooperates with other universities.

i. Disclosures on scholarships, etc. for which CBS performs secretariat functions

CBS performs secretariat functions for the following three scholarships: Timelærerforeningens Legat, C.A. Petersens Fond - Legat A, and Direktør Andreas Sørensen og Hustrus Fond. Total year-end deposits are disclosed in May in the following year. At year-end 2015, total deposits were DKK 3.8 million.

j. Staff and staff turnover

	2012	2013	2014	2015	2016
FTEs	1,445	1,528	1,598	1,552	1,586
Appointments	194	228	209	144	207
Resignations	143	141	178	170	191

The disclosures on appointments and resignations have been derived from ISOLA, the Danish Agency for the Modernisation of Public Administration.

k. Disclosures on directorships held by the President in listed companies

The President of CBS did not hold any directorships in listed companies in the period under review.

**l. Consumption of funds for free places and scholarships during the period
1 September 2015 – 31 August 2016****Consumption**

Rate group	No. of students enrolled on full or partial free places	No. of scholarship recipients	Consumption of free places (DKK'000)	Consumption of scholarships (DKK'000)
Rate 1	60	41	2,078	2,661
Rate 2	6	6	417	389
Rate 3	-	-	-	-

Financial statements

Year	Transferred from the Danish Agency for Higher Education (DKK'000)	Profits transferred concerning international paying students (DKK'000)	Consumption in the reporting period (DKK'000)	Profit (DKK'000)
2016	4,862	816	5,006	672

m. Disclosures on activities from the university's education programmes abroad as income-generating activity under section 3a(1) and section 20(3) of the University Act.

CBS does not provide education programmes abroad as income-generating activity but cooperates with Sino-Danish Centre for Education & Research (SDC) on two-year Public Management & Social Development and Innovation Management Master's programmes in China in pursuance of the Statutory Order on university international educational programmes.

n. Department allocation of funding for scholarships for very talented students for the academic years 2015/2016 and 2016/2017

Year	No. of scholarship students admitted	Grants from UDS (DKK'000)	Consumption in the reporting period (DKK'000)
	1	800	38.1
2016/2017	10	1,400	577.0
2017/2018	9	500	-
2018/2019	1	-	-

o. Rules on government grants for research infrastructure

CBS complies with the EU's rules on government grants for research infrastructure. The value of CBS' research infrastructure has been calculated at DKK 1.1 million at 31 December 2016.

p. Separate financial statements concerning expenses relating to administration of foundations and associations, including commercial foundations and associations, in accordance with section 11(1) of the act on public research institutions' commercial activities and cooperation with foundations.

In 2016, CBS spent around 150 hours, corresponding to an expense of around DKK 44,000, on administration, etc. in relation to the Scholarship Foundation for Students at Copenhagen Business School and the HBH Foundation.

Statements

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the Board of Directors and Senior Management have discussed and approved the annual report of Copenhagen Business School, CBS.

The annual report has been prepared in accordance with ministerial order no. 1063 of 30 June 2016 on grants to and the financial reporting, etc. of universities.

It is hereby represented:

- 1) that the annual report provides a true and fair view, meaning that it is free of material misstatements and omissions and that the listing of and reporting on goals in the annual report are adequate,
- 2) that the transactions covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice, and
- 3) that business procedures have been established to ensure financially appropriate administration of the funds and institutions comprised by the annual report.

Frederiksberg, 6 March 2017

PER HOLTEN-ANDERSEN
President

KIRSTEN WINTHER
JØRGENSEN
University Director

PETER MØLLGAARD
Dean of Research

JAN MOLIN
Dean of Education

Adopted by the Board of Directors of Copenhagen Business School, CBS on 6 March 2017:

KARSTEN DYBVAD
Chairman

LISBET THYGE FRANDSEN
Deputy Chairman

IDA KIRSTINE ANDERSEN BOE

ARVID HALLÉN

ALFRED JOSEFSEN

DAVID LANDO

METTE MORSING

KRISTIAN MOLS RASMUSSEN

MICHAEL RASMUSSEN

JAKOB RAVN

METTE VESTERGAARD

INDEPENDENT AUDITOR'S REPORTS

TO THE BOARD OF DIRECTORS OF CBS

OPINION

We have audited the financial statements of CBS for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The annual report has been prepared in accordance with the Danish State's accounting rules and the provisions of ministerial order no. 1063 of 30 June 2016 on grants to and the financial reporting, etc. of universities.

In our opinion, the financial statements give a true and fair view of the financial position of the University at 31 December 2016 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish State's accounting rules and the provisions of ministerial order no. 1063 of 30 June 2016 on grants to and the financial reporting, etc. of universities.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as generally accepted public auditing standards. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT'S RESPONSIBILITIES 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 State's accounting rules and the provisions of ministerial order no. 1063 of 30 June 2016 on grants to and the financial reporting, etc. of universities and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and additional requirements applicable in Denmark and generally accepted public accounting standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and additional requirements applicable in Denmark and generally accepted public accounting standards, we exercise professional judgement and maintain an attitude of professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant internal control weaknesses which we identify during our audit.

Statement on the Management's review, performance reporting regarding the development contract and financial highlights

Management is responsible for the Management's review (pages 5-22), reporting on the development contract (pages 23-30) and the Financial highlights section (pages 49-15), in the following referred to as "other reports".

Our opinion on the financial statements does not cover any supplementary reports, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish State's accounting rules.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and the Danish State's accounting rules. We did not identify any material misstatement of the Management's review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice; and that due financial consideration has been taken of the management of the entities covered by the financial statements.

In performing our audit of the financial statements, it is our responsibility in accordance

with generally accepted public auditing standards to select relevant items for both compliance audit and performance audit purposes. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the appropriations granted, legislation and other regulations as well as agreements entered into and usual practice. In the case of a performance audit we assess with reasonable assurance whether the tested systems, processes or transactions support due financial concerns in relation to the management of the assets and operations of the entities covered by the financial statements.

We must report on any grounds for significant critical comments should we find such in performing our procedures.

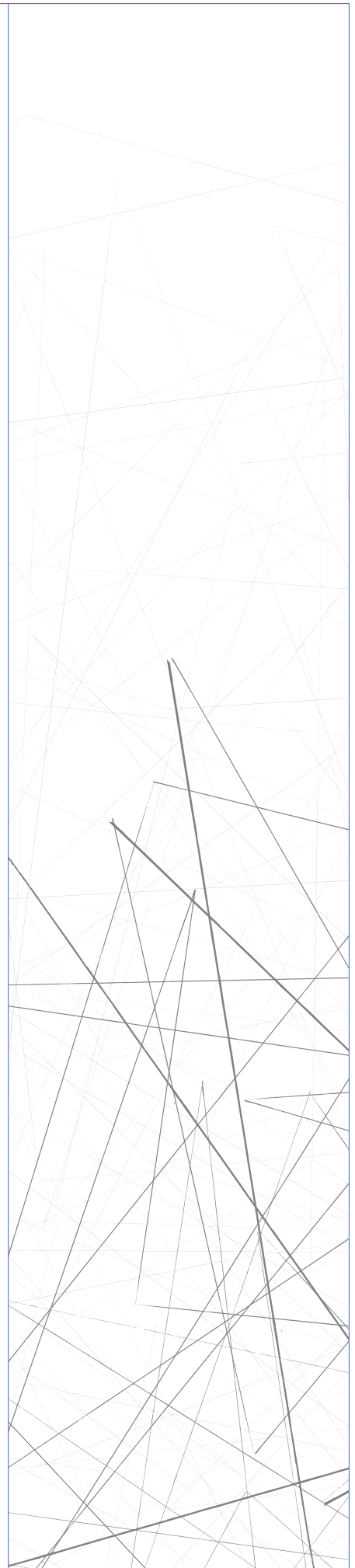
We have no significant critical comments in this connection.

Copenhagen, 6 March 2017

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

ESKILD N. JAKOBSEN
State Authorised Public Accountant

MARTIN BAKKEGAARD
State Authorised Public Accountant



Information about CBS in 2016

FINANCIAL HIGHLIGHTS

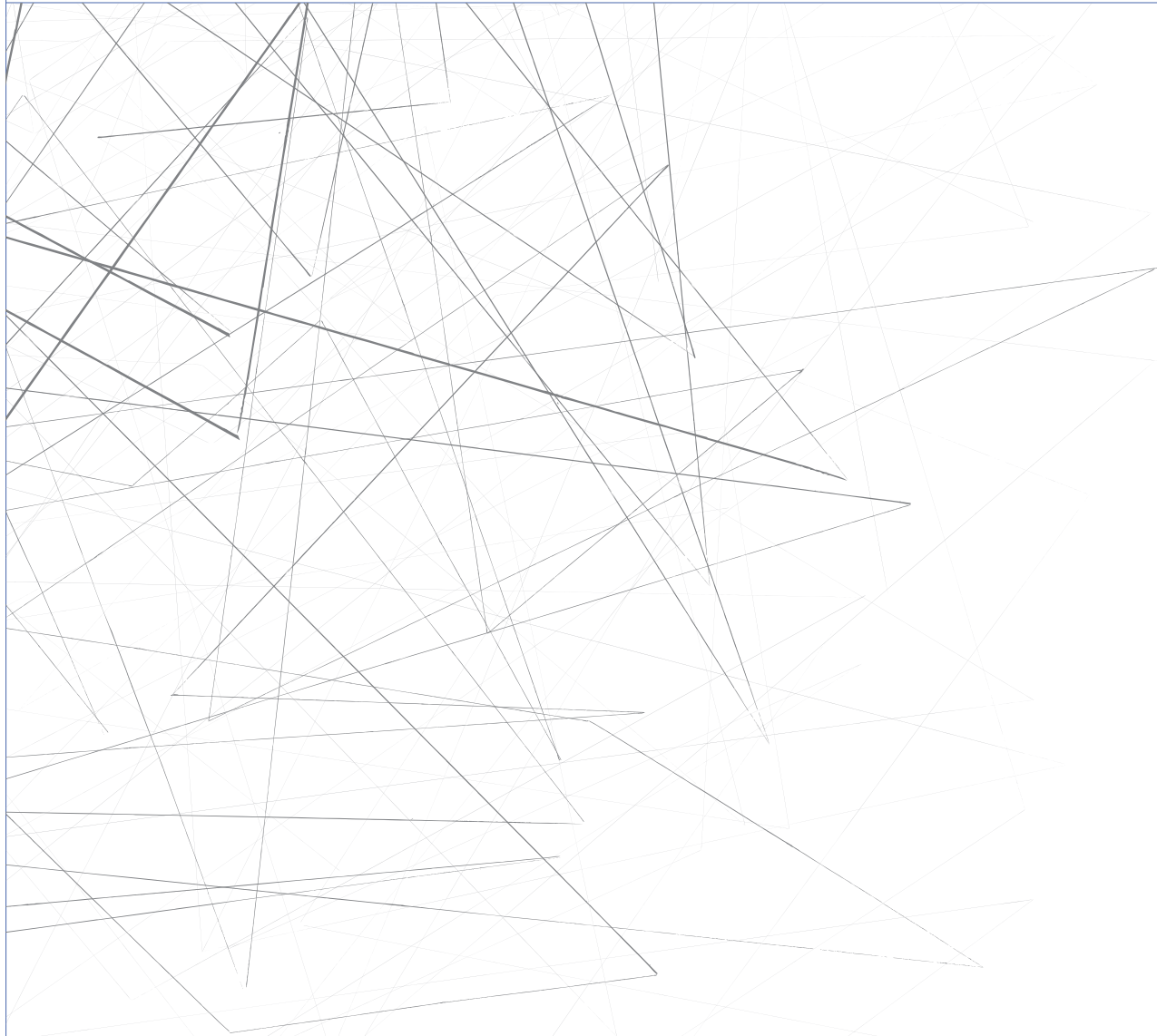
Table 2

	2014	2015	2016	Changes between 2015 and 2016 in %
Income (DKKm) (1)				
1 Education		805	838	4%
2 Research	260	294	292	0 %
3 External funds	108	122	132	8%
4 Research-based public-sector services	0	0	0	0%
5 Basic grants for other purposes	61	52	59	15%
6 Other income	46	29	29	-1%
Expenses broken down by purpose (DKKm)				
7 Education	659	683	714	5%
8 Research	495	479	461	-4%
9 Dissemination and knowledge exchange	42	46	45	-3%
10 Research-based public-sector services	0	0	0	0%
11 General management, administration and services	80	79	85	8%
Staff (2)				
12 Research FTEs	700	651	602	-8%
13 Part-time academic staff FTEs	240	239	274	15%
14 Technical-administrative staff FTEs	658	662	710	7%
Number of staff (headcount)	2,578	2,591	2,578	-1%
Number of research FTEs	736	673	639	-5%
Part-time academic staff FTEs	844	874	882	1%
Technical-administrative staff FTEs	610	649	684	5%
Number of student assistants and invigilators	388	395	373	-6%
Number of permanent international researchers at CBS	135	133	125	-6%
Balance sheet (DKKm)				
15 Equity		228	273	20%
16 Balance sheet	1,355	1,378	1,420	3%
Buildings				
17 Total building space (gross area in sq m)	131,645	131,858	133,946	2%

		2014	2015	2016	Change between 2015 and 2016 in %
Students, full-time programmes					
18	No. of students admitted to bachelor programmes (3)	2,724	2,730	2,522	-8%
19	No. of students admitted to master programmes	3,282	3,185	3,306	4%
20	No. of students enrolled	17,747	17,513	15,568	-11%
21	Value-added output (STÅ)	11,349	11,883	13,003	9%
	No. of bachelor students enrolled	7,423	7,442	7,172	-4%
	No. of master students enrolled	10,324	10,071	8,396	-17%
Graduates					
22	No. of graduated bachelors	1,866	1,914	1,959	2%
23	No. of graduated masters (4)	2,117	2,328	4,379	88%
Open and part-time programmes					
24	No. of student FTEs (5)	1,501	1,564	1,472	-6%
25	No. of graduates on executive master and diploma programmes (6)	1,252	1,408	1,144	-19%
	No. of diploma students (7)	3,477	3,779	4,250	12%
	No. of executive master/MBA students enrolled	1,340	1,537	1,885	23%
Internationalisation					
26	No. of outgoing students (exchange students) (8)	1,374	1,538	1,465	-5%
27	No. of ingoing students (exchange students)	1,107	1,027	1,156	13%
28	No. of full-programme international students	4,046	4,291	3,955	-8%
	No. of cooperation and development agreements for exchange students	314	318	319	0%
PhD programmes					
29	No. of PhD fellows enrolled		224	192	-14%
30	No. of PhD fellows enrolled	48	34	35	3%
31	No. of approved PhD theses (9)	47	36	58	61%
Research and dissemination output					
32	No. of publications	1,928	1,766	1,721	-3%
33	No. of patent applications pending	0	0	0	0%
34	No. of invention applications pending	0	0	0	0%
35	No. of projects with the Danish business community	96	116	140	21%
36	No. of external projects	254	252	281	12%
37	Financial value of cooperation with the Danish business community (DKKm) (10)	32.9	38.8	49.6	28%
	No. of Career Partners	24	28	32	14%

*The "Financial highlights" table is structured, i.e. numbered, in accordance with the guidelines of the Ministry of Higher Education and Science.

1. See also B1 under "Supplementary information".
2. The decrease in research FTEs in 2016 is due to an investment in academic staff in the period from 2012 to 2014 for, primarily, temporary positions many of which were terminated in 2015 and 2016. The increase in part-time academic staff FTEs in 2016 is due to the many master theses handed in, including counselling. Finally, the increase in technical-administrative staff FTEs is due to income-generating investments in relation to the study progress reform, externally funded research, continued and further education programmes, etc.
3. The number of students admitted to bachelor programmes fell by 8% from 2015 to 2016. This is partly due to the fact that CBS in 2015 decided not to admit any more students to the programmes where the main languages are French, German, Spanish and Japanese, and partly that the year's reporting and gauging of the number of students admitted took place a little later in the year than usually, because it became necessary to submit a new report due to an error in the statement. The number of students admitted is exclusive of propaedeutics.
4. The number of master graduates increased extraordinarily from 2015 to 2016. This is due to the study progress reform which, combined with other study-related initiatives, has made a great number of the older master students who were behind schedule graduate.
5. For 2015, the number of student FTEs admitted to diploma and master programmes has been corrected: from 1,655 to 1,564. The correction is due to an error in the calculation of the number of student FTEs in 2015. For a few topics, the number of ECTS points was too high, meaning that the number of student FTEs was too high as well. The corrected figures imply that CBS did not meet goal 3.1, "No. of student FTEs" in the development contract in 2015. This appears from the figure relating to goal 3.1 in the report on the development contract for 2016. The correction does not affect CBS' reporting on the number of student FTEs and, hence, has no financial implications. It merely affects the goal achievement in the development contract in 2015.
6. The number of graduates on executive master and diploma programmes decreased in 2016. The reason for the decrease in respect of diploma programmes is that fewer students were admitted in 2014 compared to 2013. As for master programmes, some of them only admit students every other year, meaning that students graduate every other year as well.
7. The number of students admitted to master/MBA and diploma programmes includes students admitted in CBS' programme administration system STADS. The number may also include students who were inactive in 2016, but who have been admitted to a programme.
8. In 2016, the activity corresponded to 1,465 outgoing exchange students. The same student may go on exchange for several semesters, as reflected by the figure 1,465. In 2016, 1,182 students were on exchange programmes.
9. The number of approved PhD theses went up from 2015 to 2016, because CBS decided back in 2012 to allocate 45 extra PhD fellowships - most of which were initiated in 2012 and the rest in 2013.
10. The financial scope of the collaboration with the business community has increased with 28% from 2015 to 2016. The financial value of cooperation with the Danish business community results from CBS' particular focus on increasing externally funded research activities.



UNIVERSITY GOVERNANCE

The President is in charge of the day-to-day management of the university. The University Director, the Dean of Education and the Dean of Research report to the President and are members of CBS Senior Management together with the President. Deans are appointed by the President. The members of Senior Management are not members of the Board of Directors, but attend board meetings.

The Dean of Education is responsible for all programmes and related programme administration: bachelor, master, executive master/MBA and diploma programmes. Study boards and programme directors report to the Dean of Education.

The Dean of Research has the organisational and strategic responsibility for CBS' research and research staff. CBS' research programmes are organised in departments. Heads of Departments report to the Dean of Research.

The University Director has the overall responsibility for CBS' finances and the managerial responsibility for interdisciplinary administrative units, CBS' library and CBS' Campus.

CBS is a mono-faculty university. Programmes are not organised in departments but the departments provide teaching for CBS' programmes within their respective areas of expertise. Being a mono-faculty university, CBS has one Academic Council. The Academic Council reports to the President and must ensure the quality and legitimacy of decisions of academic importance as well as contribute to the communication between management, staff and students.

ORGANISATION OF CBS' MANAGEMENT

The framework for CBS' work is laid down in the Danish University Act. CBS' bylaws provide the framework for the development, activities and organisation of the university. In accordance with the University Act, the bylaws have been approved by the Minister for Higher Education and Science. CBS operates a one-tier management structure. The supreme authority is the Board of

Directors. The Board has an external majority. The Board appoints and dismisses the President and appoints and dismisses the University Director on the recommendation of the President. Day-to-day management is undertaken by the President within the framework laid down by the Board of Directors. Other Senior Management members perform their duties based on the authority provided by the President.

FRAMEWORK FOR THE BOARD OF DIRECTORS' WORK

The Board of Directors has laid down rules of procedure for its activities. Under these rules, the Chairman is in continuous contact with the President, who is responsible for keeping the Chairman informed of all significant matters. The Board of Directors performs annual, internal evaluations of the work of the Board of Directors and Senior Management. Board meetings are open. The agenda, appendices and minutes of the meetings of the Board of Directors are published on CBS' website.

The Chairman may decide to discuss individual items on the agenda in private, in which case the relevant documentation is not made public. As a government-financed, self-governing institution, CBS is subject to statutory audit by the Auditor General. In addition, CBS has appointed an institutional auditor. Ernst & Young (EY) acted as institutional auditors for CBS in FY 2016. The Board of Directors has taken out professional liability insurance covering the Board of Directors and Senior Management.

CORPORATE GOVERNANCE RECOMMENDATIONS

CBS' Board of Directors relies on the Recommendations on Corporate Governance, which are maintained by the Committee on Corporate Governance. Even though the Recommendations on Corporate Governance are primarily aimed at limited liability companies, the Board of Directors considers them a valuable tool for assessing and developing the framework for the Board of Directors' work. The Board of Directors' report on its compliance with the Recommendations on Corporate Governance is available on this website: <http://www.cbs.dk/godselskabsledelse>

BOARD COMPOSITION

The Board of Directors is composed of appointed external members and internal members elected by employees and students. The Board of Directors consists of 11 members: six external members (appointed for a term of four years), two academic staff (elected for a term of four years), one administrative staff (elected for a term of four years) and two students (elected on a staggered term basis for a term of two years).

Four new members joined the Board in 2016: Student Kristian Mols Rasmussen was appointed new member by the students, and Mette Morsing, Professor, was appointed new member by the academic staff. Upon the Board of Directors' nominating committee's recommendation, Michael Rasmussen and Mette Vestergaard were appointed new external board members by the Board of Directors' appointing committee. All four new members joined the Board of Directors at 1 February 2016.

The Board appoints a Chairman and a Deputy Chairman from among its external members. Karsten Dybvad was appointed new Chairman of the Board of Directors effective 1 February 2016, and Lisbet Thyge Frandsen was then appointed new Deputy Chairman.

BOARD COMMITTEES

The Board has two sub-committees to assist in the appointment of new external members: a nominating committee and an appointing committee. Based on a profile and competence description drawn up by the Board, the nominating committee recommends candidates to the appointing committee.

The nominating committee may recommend candidates based on submitted nominations or may also nominate its own candidates. The appointing committee then appoints new external board members from among the nominated candidates.

SENIOR MANAGEMENT 2016	BOARD OF DIRECTORS 2016
<p>Per Holten-Andersen, President</p> <p>Peter Møllgaard, Dean of Research</p> <p>Jan Molin, Dean of Education</p> <p>Kirsten Winther Jørgensen, University Director</p> <p><i>Before being appointed new University Director on 1 August 2016, Kirsten Winther Jørgensen had been acting University Director since 1 May 2016 after Peter Jonasson retired effective 30 April 2016.</i></p>	<p>Karsten Dybvad (Chairman)</p> <p>Lisbet Thyge Frandsen (Deputy Chairman)</p> <p>Andreas Kristian Gjede</p> <p>Arvid Hallén</p> <p>Alfred Josefsen</p> <p>David Lando</p> <p>Mette Morsing</p> <p>Kristian Mols Rasmussen</p> <p>Michael Rasmussen</p> <p>Jakob Ravn</p> <p>Mette Vestergaard</p> <p>Other positions of trust, directorships, etc. held by members of the Board are disclosed on CBS' website: http://www.cbs.dk/cbs/organisation/bestyrelse</p>

REMUNERATION 2016

REMUNERATION OF SENIOR MANAGEMENT (DKKM)	REMUNERATION OF EXTERNAL BOARD MEMBERS (DKK'000)														
<p>Total annual salary, including pension, at 31 December 2016:</p> <table data-bbox="140 1205 770 1361"> <tr> <td>Per Holten-Andersen:</td> <td>1,567</td> </tr> <tr> <td>Jan Molin:</td> <td>1,260</td> </tr> <tr> <td>Kirsten Winther Jørgensen:</td> <td>1,180</td> </tr> <tr> <td>Peter Møllgaard:</td> <td>1,149</td> </tr> </table> <p>Variable pay elements for Senior Management in 2016:</p> <p>Senior Management's total fixed salaries including pension at 31 December 2016: 5,066.</p> <p>Variable pay elements paid to Senior Management in 2016: 90.</p> <p>Senior Management's variable pay elements in 2016 accounted for 1.75% of total salaries paid to Senior Management in 2016.</p>	Per Holten-Andersen:	1,567	Jan Molin:	1,260	Kirsten Winther Jørgensen:	1,180	Peter Møllgaard:	1,149	<table data-bbox="825 1160 1455 1279"> <tr> <td>Chairman:</td> <td>202</td> </tr> <tr> <td>Deputy Chairman:</td> <td>135</td> </tr> <tr> <td>Other external board members (per member):</td> <td>67</td> </tr> </table>	Chairman:	202	Deputy Chairman:	135	Other external board members (per member):	67
Per Holten-Andersen:	1,567														
Jan Molin:	1,260														
Kirsten Winther Jørgensen:	1,180														
Peter Møllgaard:	1,149														
Chairman:	202														
Deputy Chairman:	135														
Other external board members (per member):	67														

INTERNATIONAL ACCREDITATIONS AND RANKINGS

CBS has obtained both national and international accreditation. International accreditation is mandatory, and the international accreditations and rankings are very important to CBS' international reputation, as they allow CBS to attract the best researchers and students internationally. Nationally, CBS received its Danish institution accreditation in June 2016. Internationally, CBS was subjected to an AACSB re-accreditation process in October 2016. The visit went well, and the final result is expected in 2017.

CBS is one of very few business schools having been Triple Crown-accredited by the international accreditation institutions AACSB, EQUIS and AMBA. Around 70 business schools in the world have those three accreditations.

FINE RANKINGS

Financial Times European Business School Ranking 2016 ranks CBS number 35 in Europe measured by reference to the quality

and breadth of programmes. This the the same level as was attained last year. In the Executive MBA area, CBS is now number 50 globally, up from a ninth position two years ago and up from number 38 last year.

Bloomberg Businessweek's International Full-time MBA Ranking 2016 ranks CBS number 27, up from 28 last year.

For the first time in several years, CBS is on The Economist's list of the world's best full-time MBA programme providers, ranking number 95.

Corporate Knights Better World MBA, whose focus is on full-time MBA programmes in the areas of sustainability and CSR, ranks CBS number 4 in the world - against number 3 last year. The fact that CBS has gone down one place more reflects that more people focus and build up competences in the area than a changed focus and a changed approach at CBS.

THE WORLD OVER, DEANS RECOMMEND CBS

On the Eduniversal ranking list, CBS, as a whole, was in 2016 considered by deans from 1,000 business schools the world over to enjoy a top reputation, having been elected both number 1 in the world and number 1 in Western Europe. In Western Europe, CBS is followed closely by INSEAD as number 2 and London Business School and SDA Bocconi School of Management on a divided third place. Eduniversal is subdivided into nine geographical areas, and measured by reference to the number of votes, CBS got most votes at a global level - followed by Harvard Business School and INSEAD. Eduniversal is raking of reputation, and deans from other business schools are asked which schools they would recommend. 629 out of the 1,000 deans who were asked this question recommended CBS.

Table 3 CBS on the ranking lists

	2012	2013	2014	2015	2016
Financial Times					
European Business Schools	39	34	45	34	35
CEMS Master in International Management	3	7	5	4	*
Master in General Management	43	40	37	32	36
Executive MBA World	92	79	91	62	50
Executive MBA Europe	32	27	33	31	27
Bloomberg Businessweek					
International full-time MBA				28	27
Full-time MBA					95
QS Top Business Schools					
QS Business and Management Studies Global				10	13
	-	10	-	3	4
	-	3	-	1	1
Eduniversal					
	3	3	1	3	1
	2	2	1	3	1

*CEMS has decided not to submit 2016 data to FT.

LIST OF PROGRAMMES

BACHELOR OF SCIENCE

BSc in Economics and Business Administration
BSc in Business Administration and Philosophy
BSc in Business Administration and Information Systems
BSc in Business Administration and Commercial Law
BSc in Business Administration and Organizational Communication
BSc in Business Administration and Management Science
BSc in Business Administration and Psychology
BSc in Business Administration and Project management
BSc in International Business
BSc in Business Administration and Service Management
BSc in Business Administration and Sociology
BSc in International Business and Politics
BSc in Business, Language and Culture
BSc in Business, Asian Language and Culture
BSc in International Shipping and Trade

BACHELOR OF ARTS

BA in European Business
BA in Intercultural Market Communication
BA in English and Organizational Communication
BA in Information Management

MASTER OF SCIENCE AND SOCIAL SCIENCE

MSc in Economics and Business Administration - 14 specialisations
MSc in Social Science - Human Resource Management
MSc in Social Science – Political Communication and Management
MSc in Social Science - Management of Creative Business Processes
MSc in Social Science - Organizational Innovation and Entrepreneurship
MSc in Social Science - Service Management
MSc in Social Science - Public Management and Social Development (offered at SDC – campus in Beijing)
MSc in Business Economics and Auditing
MSc in Business Administration and Commercial Law
MSc in Business Administration and Organizational Communication
MSc in Business Administration and Management Science
MSc in Business Administration and Psychology
MSc in Business Administration and Philosophy
MSc in Business Administration and Innovation in Health Care
MSc in Business, Language and Culture - two specialisations
MSc in International Business and Politics

MSc in Business Administration and Information Systems – three specialisations
MSc in Advanced Economics and Finance (elite master programme)
CEMS Master in International Management
MSc in Business Administration and Bioentrepreneurship
MSc in Business Administration and Philosophy

MASTER OF ARTS

MA in International Business Communicationa - two specialisations
Communication in Organizations

CONTINUING EDUCATION

Full-time MBA
Executive MBA
Flexible Executive MBA
Executive MBA in Shipping & Logistics
Master of Public Governance
Master of Public Administration
Master of Management Development
Master of Tax
Master in Leadership and Innovation in Complex Systems
Graduate Certificate (HD1)
(HD2) Graduate Diploma in Business Administration - Finance Planning
(HD2) Graduate Diploma in Business Administration - Financial Planning
(HD2) Graduate Diploma in Innovation Management
(HD2) Graduate Diploma in International Business
(HD2) Graduate Diploma in Business Administration - Marketing Management
(HD2) Graduate Diploma in Business Administration - Organisation and Management
(HD2) Graduate Diploma in Business Administration - Financial and Management Accounting
(HD2) Graduate Diploma in Business Administration - Supply Chain Management
(HD2) Graduate Diploma in Business Administration - Accounting Control and Process Management

PROGRAMMES BEING PHASED OUT

BA in International Organisational Communication
MA in International Business Communication

DEPARTMENTS

DEPARTMENT OF MARKETING (MARKTG)

The department is engaged in marketing management and has the following research areas: B2B marketing, retailing, consumer behaviour, including neuroscience and decision-making, marketing, branding, strategy and market-oriented management.

DEPARTMENT OF FINANCE (FI)

The department focuses on financial issues related to, e.g., corporate finance and financial structures, financial frictions, financial market pricing, alternative ownership, pensions and personal finance, international financial markets and corporate governance.

DEPARTMENT OF INNOVATION AND ORGANIZATIONAL ECONOMICS (INO)

The department carries out research in and teaches innovation and entrepreneurship. Its research ranges from large-scale analysis of enterprises' use of external knowledge sources or entrepreneurial businesses' chances of survival to development of specific tools for innovative processes. The department's research typically involves an element of economic organisation, i.e. how innovation or entrepreneurship interacts with the way in which businesses are organised or how sectors and value chains are structured, the distribution of work between universities, biotech businesses and pharmaceutical manufacturers in connection with the development of new drugs.

DEPARTMENT OF INTERCULTURAL COMMUNICATION AND MANAGEMENT (ICM)

The department is an interdisciplinary research environment focusing on the relationship between business and society in a globalised world and on how globalisation changes and challenges management, organisation and control. Key research areas include corporate social responsibility and the role and development of the private sector in emerging economies. Across perspectives and themes, the department focuses on culture, communication and context.

DEPARTMENT OF INTERNATIONAL BUSINESS COMMUNICATION (IBC)

The department deals with issues related to professional communication in organisations, including the challenges posed by the role of language in interlingual and inter-cultural communication, the role of language and cultural competences in organisations, the importance of language and culture for communications technologies and the importance of the form and structure of language training for the learning of language, cultural and communications skills.

DEPARTMENT OF INTERNATIONAL ECONOMICS AND MANAGEMENT (INT)

The department carries out research in international business, corporate governance and leisure, culture and tourism as well as in emerging markets, including Eastern Europe, Russia, India and China - with particular emphasis on Asia area studies.

DEPARTMENT OF IT MANAGEMENT (ITM)

The department carries out research and teaches in the cross field between IT and business with focus on social media management, the cashless society, Internet of Things, Open Big Data and IT in mergers and acquisitions.

DEPARTMENT OF MANAGEMENT, POLITICS AND PHILOSOPHY (MPP)

The department's core areas are public and political management, management philosophy, corporate history, general management, strategy, innovation and entrepreneurship. The ambition is to strengthen and develop interdisciplinary research and teaching across business economics, social sciences and humanities.

DEPARTMENT OF ECONOMICS (ECON)

The department conducts research of clear corporate relevance as well as in more traditional socio-economic areas, including the effects of globalisation on business, government economic policy, foreign exchange market reactions to interest rate changes and corporate market conduct.

DEPARTMENT OF ORGANIZATION (IOA)

The department focuses on organisational processes and their implications for private, public and voluntary organisations. The department's research and teaching focuses on, among other things, strategy, HRM, change and management. Its researchers develop and adjust organisational theories and analytical methods based on empirical studies and inclusion of wider social science perspectives such as sociology, anthropology and psychology. Working with diverse organisations and sectors, researchers apply their knowledge to specific management challenges and dilemmas.

DEPARTMENT OF OPERATIONS MANAGEMENT (OM)

The department carries out research in and teaches corporate business economics issues in an organisational perspective. Its main focus is on explaining management technologies needed by businesses to create innovation, plan production, cooperate with other businesses and manage finances.

DEPARTMENT OF ACCOUNTING AND AUDITING (ACC)

The department carries out research and teaches within three main areas: management control, financial accounting and private and public sector auditing.

LAW DEPARTMENT (LAW)

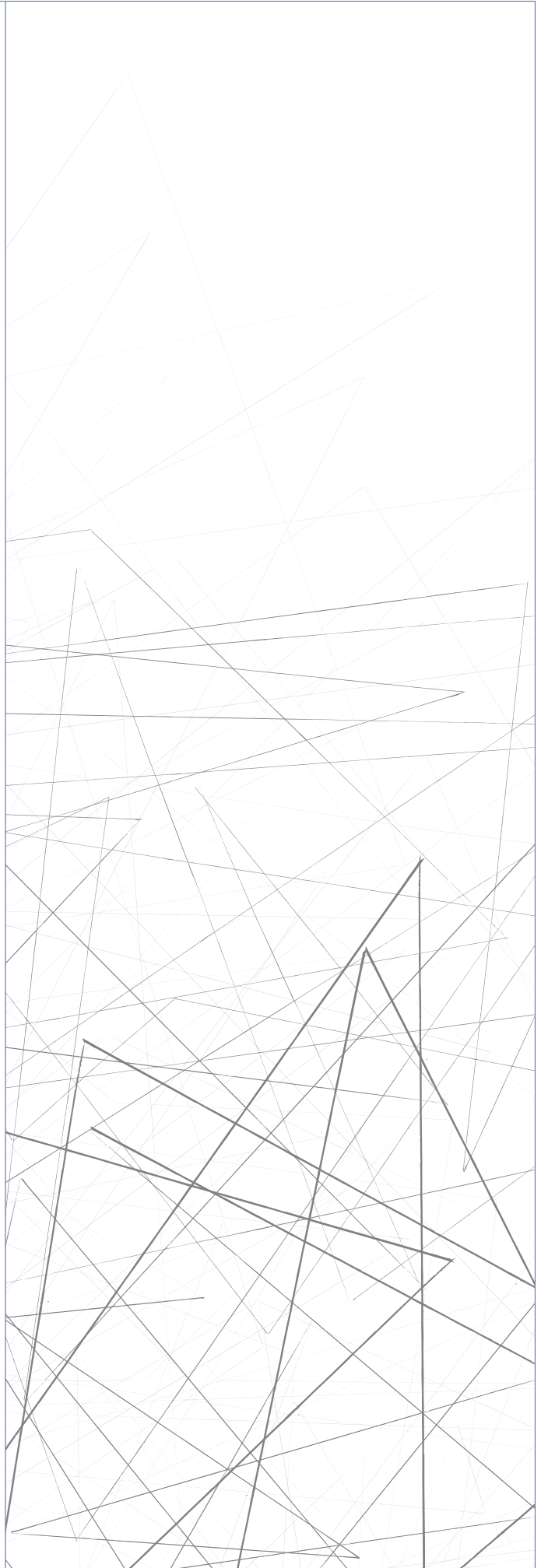
The department's research focuses on commercial law from a social and commercial perspective based on international and national framework conditions for business as a result of globalisation, specifically the content of and interplay between international law, EU law and national law.

DEPARTMENT OF STRATEGIC MANAGEMENT AND GLOBALIZATION (SMG)

The department conducts research within corporate strategic behaviour and planning in a globalised world, focusing on knowledge management, strategy, strategic entrepreneurship, offshoring and outsourcing and multinational organisation.

DEPARTMENT OF BUSINESS AND POLITICS (DBP)

The department conducts research in the institutional challenges facing society as a result of the interplay between business and politics. Based on theories on international and comparative political economics and sociology, research is conducted within the areas of technology and innovation, financial regulation, institutional competitiveness, relations between civil society and industry, public-private partnerships and European and global governance.



RESEARCH, TEACHING AND COMMUNICATION AWARDS

Many recognised CBS researchers won Danish as well as international awards in 2016 in recognition of their excellent research and the communication of same, just as employees and students at CBS have achieved recognition for their efforts.

DSEB Research Award 2016

Marcus Møller Larsen, Associate Professor, Department of Strategic Management and Globalization

Fane Naja Groes, Associate Professor, Department of Economics

Ole Helmersen, Associate Professor, Department of Intercultural Communication and Management

Edward Ashbee, Associate Professor, Department of Business and Politics

HCA Group, Department of Strategic Management and Globalization

The team is made up of

- Dana Minbaeva, Professor, Department of Strategic Management and Globalization
- Iben Sandal Stjerne, Post.doc, Department of Strategic Management and Globalization
- Sara Vardi, Research Assistant, Department of Strategic Management and Globalization
- Saskia Menke, student assistant, Department of Strategic Management and Globalization
- Georg Wernicke, Assistant Professor, Department of International Economics and Management
- Valentina Tartari, Assistant Professor, Department of Innovation and Organizational Economics
- Wolfgang Sofka, Associate Professor, Department of Strategic Management and Globalization
- Francesco Di Lorenzo, Associate Professor, Department of Strategic Management and Globalization
- H.C. Kongsted, Professor, Department of Innovation and Organizational Economics
- Allan Hansen, Professor, Department of Operations Management

DSEB Teaching Award 2016

Christina Lubinski, Associate Professor, Department of Management, Politics and Philosophy

Christian Geisler Asmussen, Professor, Department of Strategic Management and Globalization

Diego Stea, Assistant Professor, Department of Strategic Management and Globalization

CBS Student Award 2016

Marie Thurøe Lykke-Jensen, MA student

Siri Rygh Jerndahl, SEM student

Marcus Orloff Søemod, MSc student (Psychology)

CBS Administration Award 2016

Anja Frederiksen, Secretary, Department of Management, Politics and Philosophy

Lars Nondal, Chief Consultant, the Library

Julie Marx, PhD fellow, Department of Finance

Jannick A. Pedersen, BSc student (Psychology)

Project: Driving Competitiveness through Servitization, Department of Operations Management.

Project team:

Academic staff

- Christer Karlsson, Professor
- Juliana Hsuan, Professor (MSO)
- Jawwad Raja, Associate Professor
- Thomas Frandsen, Assistant Professor
- Lauren Pflueger, Research Assistant
- Sofie Boa, Research Assistant
- Kai Basner, PhD fellow

Technical-administrative staff

- Morten Bjerrum Seerup Haagenen, student assistant
- Steefan Wallin, student assistant
- Christina Merolli Poulsen, Project Manager

Marcus Møller Larsen, Associate Professor, Department of Strategic Management and Globalization

Michael Møller, Professor, Department of Finance

Kommunikation og Sprogs ph.d.-pris 2016

Guro Refsum Sanden, post.doc, Department of International Business Communication

Hedorfs Fonds Forskningspris for International Virksomhedskommunikation og Sprog

Mette Skovgaard Andersen, Associate Professor, Department of International Business Communication

Sofartsprisen 2016 from the Danish Shipowners' Association

Martin Jes Iversen, Associate Professor, Department of Management, Politics and Philosophy

Knight's Cross of the Order of Dannebrog

Michael Møller, Professor, Department of Finance

ELIASM 9th international public sector conference "Best Young Scholars Paper 2016" award for a project proposal with the title "Calculating social services"

Ida Schrøder, PhD fellow, Department of Operations Management

Outstanding Reviewer Award (International Journal of Physical Distribution & Logistics Management) at the 2016 Emerald Literati Network Awards for Excellence

Andreas Wieland, Assistant Professor, Department of Operations Management

Highly Commended Paper Award for the article "The Interplay of Different Types of Governance in Horizontal Cooperations", published in the International Journal of Logistics Management at the 2016 Emerald Literati Network Awards for Excellence

Andreas Wieland, Assistant Professor, Department of Operations Management

Dedication to Entrepreneurship Award, Entrepreneurship Division, Academy of Management

William B. Gartner, Professor, Department of Management, Politics and Philosophy

Henrietta Larson Article Award for the best article in Business History Review in 2015 for "Global Trade and Indian Politics"

Christina Lubinski, Associate Professor, Department of Management, Politics and Philosophy

LDIC Best Paper Commended Award, LDIC International Conference on Dynamics in Logistics, Bremen, 2016 for the article: "Methodological Demonstration of a Text Analytics Approach to Country Logistics System Assessments"

Aseem Kinra, Associate Professor, Department of Operations Management, Raghava Rao Mukkamala, Associate Professor, and Ravi Vatrapu, Professor, ITM

Fritz-Roetlisberger Award for best publication for 2015 in Journal of Management Education

Stefan Meisiek, Associate Professor, Department of Management, Politics and Philosophy

The Palgrave-Macmillan Best Paper Award IAME 2016 for the paper "Forecasting Container Shipping Freight Rates for the Far East -Northern Europe Trade Lane"

Hans-Joachim Schramm, External Associate Professor, Department of Operations Management – together with Ziaul Haque Munim, PhD fellow, University of Agder, Norway

The GIONET European Research Paper of the Year 2016, for the European research paper that embodies most excellence in both rigour and relevance of research, for the paper: "Coping with Information Technology: Mixed Emotions, Vacillation, and Nonconforming Use Patterns. MIS Quarterly, 39(2), 367-392, 2015"

Mari-Klara Stein, Assistant Professor, ITM, together with S. Newell, E.L. Wagner and R.D. Galliers

Outstanding Reviewer Award, Strategic Leadership & Governance Interest Group, Strategic Management Society Meeting 2016.

Outstanding Reviewer Award, Stakeholder Strategy Interest Group, Strategic Management Society Meeting 2016

Outstanding Reviewer Award, BPS Division, Academy of Management Meeting 2016

Best Reviewer Award, Academy of International Business Meeting 2016

Best Reviewer Award, Corporate Governance SIG, European Academy of Management Meeting 2016

Georg Wernicke, Assistant Professor, Department of International Economics and Management

Best PhD paper award at the Strategic Management Society Meeting in Berlin 2016 for the paper: "Access to Finance and Corporate Social Responsibility: Evidence from a Natural Experiment"

Georg Wernicke, Assistant Professor, and Vanya Rusinova, PhD fellow, Department of International Economics and Management

Best Reviewer Award, Journal of International Business Studies, 2016

Marcus Møller Larsen, Associate Professor, Department of Strategic Management and Globalization

The Danish business daily "Dagbladet Børsen"'s ranking of Danmarks Bedste Økonom 2016

Nicolai Foss, Professor, Department of Strategic Management and Globalization

SAGE Award for the best article published in European Union Politics Volume 16 for the article: European Union budget politics: Explaining stability and change in spending allocations'

Manuele Citi, Associate Professor, Department of Business and Politics

Emerald Citations of Excellence for 2016 Award for the paper: "My city - my brand: The different roles of residents in place branding", Journal of Place Management and Development

Sebastian Zenker, Assistant Professor, Institut for Marketing

Outstanding Reviewer Award for Journal of Place Management and Development in the Emerald Literati Network 2016 Awards for Excellence

Sebastian Zenker, Assistant Professor, Institut for Marketing

CEMS Block Seminar of the year award for the seminar: "The Strategy as Practice - Critical Thinking, Problem Formulation, and Biases"

Diego Stea, Assistant Professor, Institut for Strategi og Globalisering together with Phillip C. Nell, Professor, WU, Vienna University of Economics and Business

The Q-group awarded the Jack Treynor Prize to the paper: "Low Risk Anomalies?"

Christian Wagner, Professor, Institut for Finansiering, together with Paul Schneider, University of Lugano, and Josef Zechner, WU Vienna

Best paper award at the China International Finance Conference in Xiamen, for the paper "Cross-Section of Subjective Bond Risk Premia"

Paul Whelan, Assistant Professor, Institut for Finansiering, together with Andrea Buraschi and Ilaria Piatti

Best paper award at the 2016 AIM Investment Conference for the paper: "Efficiently Inefficient Markets for Assets and Asset Management"

Lasse Heje Pedersen, Professor, Institut for Finansiering, together with Nicolae Garleanu, University of California, Berkeley

The 2016 Swiss Finance Institute Outstanding Paper Award for his paper "An Explanation of Negative Swap Spreads"

Sven Klingler, Research Assistant, Institut for Finansiering, together with Suresh M. Sundaresan, Columbia Business School

