

January 22, 2009

Strong 2008 performance. New, increased long-term targets. Growth expectations for 2009.

2008 sales growth was strong at 13% in local currencies. Earnings were also very satisfactory. Lower growth in the fourth quarter. Expected sales growth in 2009 of 8–13% in DKK in an uncertain market. Favorable long-term trends lead to new, increased long-term targets. Higher future growth supported by higher investments.

- 2008 sales up by 13% in LCY and 10% in DKK to DKK 8,146m
- Sales growth of 5% in LCY and 10% in DKK in the fourth quarter
- 53.5% gross margin compared to 53.1% in 2007
- Operating profit of DKK 1,504m, a 7% increase, excluding one-off item in 2007
- Operating profit margin of 18.5% compared to 18.9% in 2007, excluding one-off item
- Net profit increase of 8% to DKK 1,062m, excluding one-off item in 2007
- Free cash flow before acquisitions of DKK 755m against DKK 963m in 2007
- Net interest-bearing debt of DKK 1,380m compared to DKK 1,769m at year-end 2007
- Equity ratio of 45% at year-end 2008

“2008 was a strong year for Novozymes. I'm very pleased with our performance,” says Steen Riisgaard, President and CEO. “Lower growth in the fourth quarter may point to a slowdown as we go into 2009, but we see very favorable trends and opportunities further ahead, so we have upped our level of ambition and increased our long-term targets.”

Outlook for 2009

The severity of the global economic slowdown remains very uncertain, and efforts have been made to reflect this in the outlook. The outlook in DKK is positively affected by assumed exchange rate levels for 2009. Thus, assuming that exchange rates for the company's key currencies remain at the spot rates on January 21, 2009, the outlook is:

- 2009 sales growth of 8–13% in DKK and 3–8% in LCY
- Growth in operating profit of 10–15% in DKK and in net profit of 5–10% in DKK
- Free cash flow of around DKK 100–300m, reduced by a high level of investments

See Appendices 9 and 10 for further details.

New long-term targets

In the light of last year's performance and the expected long-term trends, Novozymes has increased its long-term financial targets to:

- Organic sales growth of more than 10% p.a., plus enzymes for conversion of biomass
- Operating profit margin of more than 20%
- Return on invested capital of more than 22%

Company announcement no. 1, 2009

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Income statement and balance sheet

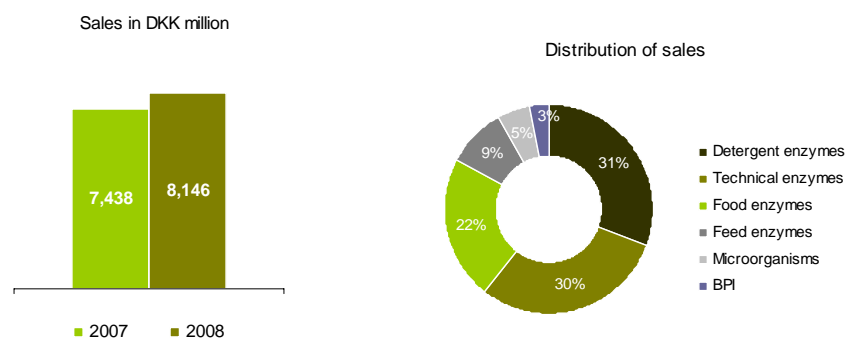
Appendices 1 & 2

13% sales growth,
11% organic growth

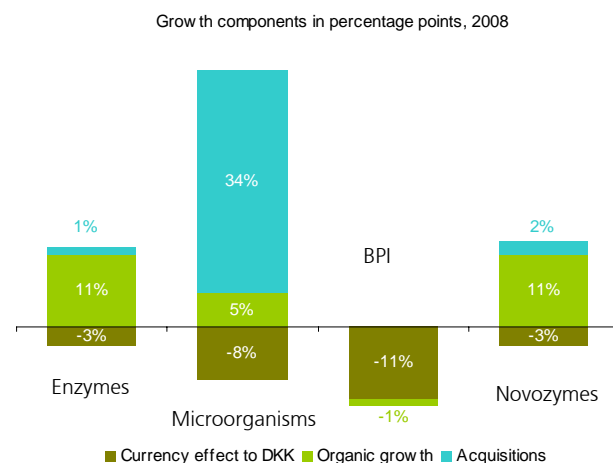
Sales

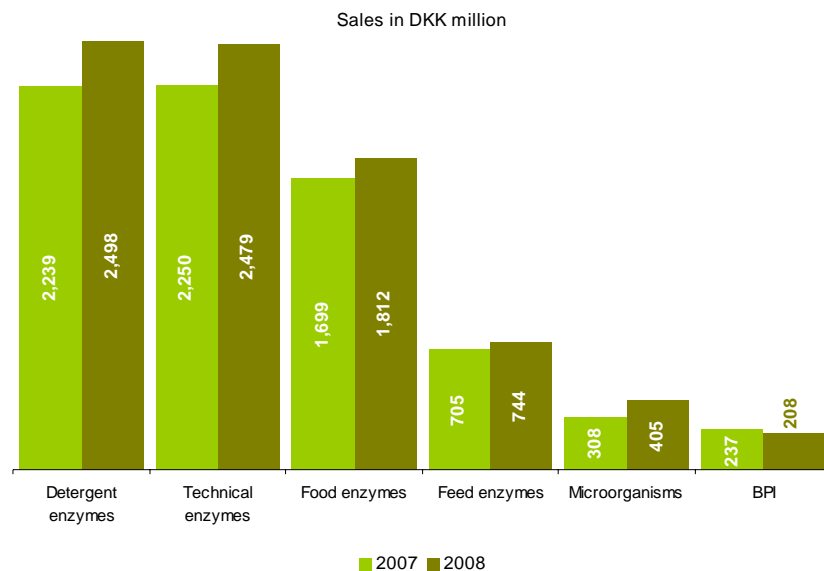
Total sales for the year rose by 13% in LCY. Activities acquired in 2007 contributed 2 percentage points. Exchange rate developments during the year were volatile, especially for the USD, impacting negatively on sales in DKK. Growth in DKK was 10%, bringing sales up to DKK 8,146 million.

As expected, sales growth in the fourth quarter was modest at 5% in LCY and 10% in DKK. There was no acquisition impact in the quarter.



Total 2008 enzyme sales were up by 12% in LCY and 9% in DKK. Organic growth was approximately 11%. Overall the full-year development was very satisfactory, especially given that most industries experienced lower growth in the fourth quarter. Faced with high uncertainty and global economic slowdown, customers showed cautious behavior in the fourth quarter, for example by destocking. In 2008 BioBusiness sales grew satisfactorily by 21% in LCY and 12% in DKK. Microorganism sales experienced 5% organic growth for the year. The activities acquired within biological agriculture (BioAg) delivered higher growth than expected. Biopharmaceutical ingredients (BPI) experienced a decline of 1% in LCY.





Strong full-year performance for detergent enzymes, 13% growth

Sales of **detergent enzymes** rose by 13% in LCY and 12% in DKK in 2008. All geographical regions developed positively, and both new and established products contributed to the strong development. Detergent producers across categories continued to use more enzymes in their formulations for improved washing performance and added functionalities. Substitution of other detergent ingredients with enzymes was also a strong growth driver in 2008.

Fourth-quarter sales increased by 6% in LCY and 8% in DKK compared to the same period of 2007. The lower growth compared to previous quarters was in line with expectations and reflects cautious behavior among customers.

Fuel ethanol enzymes strongest 2008 growth contributor

Sales of **technical enzymes** rose by 15% in LCY and 10% in DKK in 2008. Approximately 1 percentage point can be attributed to the activities acquired in India in 2007. Enzyme sales to the fuel ethanol industry showed strong growth throughout the year, outperforming growth in North American fuel ethanol output. Sales of textile enzymes for abrasion of denim fell during the year as the result of a fashion trend in favor of darker denims and a slowing US denim demand. Total textile sales were down 16% for the year.

Sales of technical enzymes rose by 7% in LCY and 17% in DKK in the fourth quarter of 2008 compared to the same period of 2007. Novozymes' sales growth in fuel ethanol enzymes was close to 40% in the quarter. This should be seen against the background of more challenging market conditions for ethanol producers. The remaining technical industries declined, explained by the cautious customer behavior

mentioned previously.

10% growth in food enzymes across product areas

Sales of **food enzymes** rose by 10% in LCY and 7% in DKK in 2008. Approximately 2 percentage points can be attributed to the acquired activities in India. Sales of brewing, baking, and beverage alcohol enzymes performed especially well. High raw material prices and limited resources in the food industry drove an accelerated rate of penetration over the year, as the relative cost savings offered by enzyme technology increased.

In the fourth quarter of 2008 sales declined by 6% in LCY and 3% in DKK compared to 2007. There was no acquisition impact in the quarter. The quarterly performance was subject to cautious customer behavior across industries.

10% growth in feed enzymes

Sales of **feed enzymes** increased by 10% in LCY and 6% in DKK in 2008. The acquired activities in India contributed approximately 2 percentage points. High inorganic phosphate prices increased the global demand for phytase enzymes. However, prices in the phytase enzyme market remain under pressure, especially in Europe. Sales of enzymes for enhanced utilization of vegetable proteins in animal feed diets also performed very well during the year. Customers' cautious behavior in the fourth quarter notably reduced full-year growth.

Sales in the fourth quarter were down by 14% in LCY and 9% in DKK compared to the same period of 2007. Despite falling phosphate prices in the quarter, there are no indications of this leading to reduced phytase demand, as prices are still at a high level. The development in the fourth quarter reflects an adjustment of customers' inventory levels due to concern about future market development.

Acquired BioAg activities outperformed expectations

Sales of **microorganisms** rose by 39% in LCY in 2008. Approximately 34 percentage points can be attributed to the BioAg activities acquired late 2007, which performed significantly better than expected at the beginning of the year. Other microorganism sales experienced organic growth of 5% during the year, despite being subject to ongoing product pruning activities. Growth was mainly related to the plant care and wastewater treatment areas. In DKK, total 2008 microorganism sales rose by 31%.

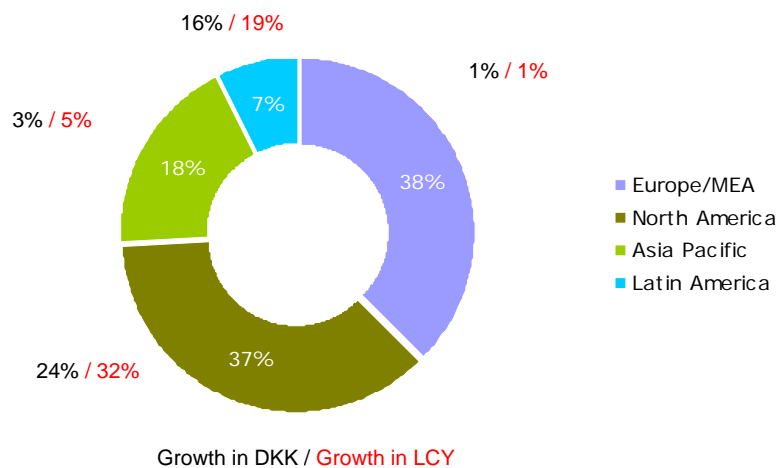
Fourth-quarter sales were down by 3% in LCY and up by 3% in DKK. There was no acquisition impact in the quarter. Overall, sales were unfavorably affected by the uncertain and challenging market outlook, leading to customers reducing inventories.

BPI development as expected

Sales of **biopharmaceutical** ingredients (BPI) were down by 1% in LCY and 12% in DKK in 2008. Sales were affected by an anticipated decline in volumes for some existing contracts. Also, 2007 included sales for clients' clinical trials, which were not repeated in 2008.

The fourth quarter was positively affected by variations in customers' off-take patterns. As noted previously, this industry operates with substantial quarterly variation in sales patterns, as sales generally comprise a small number of relatively large transactions.

Sales by geographical area



Sales in Europe, the Middle East, and Africa (**Europe/MEA**) rose by 1% in both LCY and DKK in 2008. Growth was strong in sales of detergent enzymes, and food enzyme sales also developed well. Expected lower sales within BPI reduced overall growth. Sales of feed enzymes were down compared to last year owing to a challenging pricing environment and lower demand in the fourth quarter.

North America highest growth region

Sales in **North America** were up by 32% in LCY and 24% in DKK in 2008. Growth was primarily related to enzymes for bioethanol production and detergents, although good growth was seen across most areas. The acquired activities within BioAg affected sales development positively. Fourth-quarter BPI sales made this industry develop positively in LCY for the full year in this region.

Double-digit growth in Latin America

Latin America sales rose by 19% in LCY in 2008. Detergent, feed, and food enzymes were the largest growth contributors.

Asia Pacific sales increased by 5% in LCY during the year. Detergent and food enzyme sales performed well. However, the depressed textile industry and overall fourth-quarter performance contributed negatively to

Appendix 5

the development in this region.

New products

Five new products were launched in the fourth quarter of 2008:

- RONOZYME[®] ProAct, a feed enzyme optimizing protein utilization, improving nutritional value, and enhancing animal performance, leading to cost savings
- Lactose Oxidase, a food enzyme allowing the dairy industry to add value to the whey stream. Whey is a by-product of cheesemaking
- Pectinex[®] Ultra Mash, an enzyme applied to improve the yields in apple juice production during mashing, offering increased yield and smoother processing in comparison to existing enzyme solutions
- Novozym[®] 12001, a food enzyme that allows the use of soya protein in a broad range of food applications, making them healthier and improving taste
- FiberCare[®] D, an enzyme for use in the pulp and paper industry. The enzyme improves drainage performance in paper mills producing paper and cardboard from recycled paper and cardboard. Benefits include improved process time

In total eight new products were launched during 2008. This was in line with the expectation.

Development of the surfactant replacement enzyme was finalized in Q4 2008 as planned. Novozymes expects the first sales to occur in the second half of 2009.

Appendices 1 & 4

Costs and Other operating income

Total costs excluding net financials and tax were DKK 6,689 million in 2008, an increase of 10% mainly attributable to higher sales. Cost of goods sold rose by 9%, negatively affected by high raw material and energy prices but positively affected by productivity improvements. Overall Novozymes' input prices in 2008 were slightly higher than last year.

Gross margin 53.5%

For 2008 the gross margin was 53.5% compared to 53.1% last year. Exchange rate developments and acquisitions both reduced the gross margin, while productivity improvements impacted positively.

Other operating costs increased by 12% to DKK 2,902 million in 2008, mainly as a result of rising R&D and sales activities.

- Sales and distribution costs rose by 15%, representing 13% of revenue

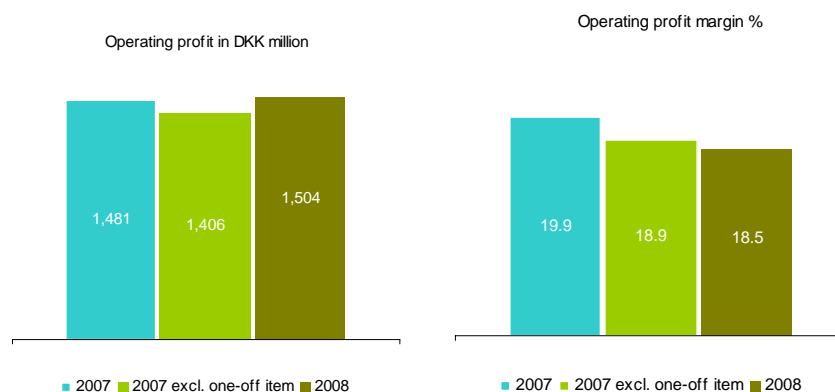
R&D represents 13.5% of revenue

- Research and development costs rose by 10%, representing 13.5% of revenue
- Administrative costs rose by 10%, representing 9% of revenue

Depreciation and amortization charges rose to DKK 556 million in 2008, an increase of 13% compared to 2007, reflecting the higher investment level in 2008 and impairment losses relating to BioBusiness.

Appendix 1

Operating profit



7% growth in operating profit, adjusted for one-off item

Operating profit increased by 7% to DKK 1,504 million in 2008, excluding the one-off item in 2007. Including the DKK 75 million one-off item Novozymes received in 2007, operating profit increased by 2%.

Operating profit margin 18.5%

The operating profit margin was 18.5% for 2008 compared to 18.9% last year, excluding the one-off item. Including the one-off item, the operating profit margin for 2007 was 19.9%. Currency in particular affected operating margin unfavorably compared to last year.

Lower net financial costs

Net financial items

Net financial costs for 2008 decreased by DKK 11 million to DKK 85 million compared to last year. This decrease includes the effect of a reduction of DKK 63 million in the liability relating to employee stock options.

Net interest expenses increased by DKK 28 million to DKK 106 million compared to 2007 as a result of higher interest rates and lower interest income. Net interest-bearing debt was DKK 1,380 million at December 31, 2008, against DKK 1,769 million at year-end 2007. There was also a DKK 34 million net negative impact from foreign exchange during the year. USD and JPY hedging contracts contributed slightly positively, whereas unhedged currencies, such as the INR and CHF, contributed negatively to the overall foreign exchange position.

Appendix 1

8% growth in net profit adjusted for one-off item

Profit before tax and net profit for the period

Profit before tax increased by 2% to DKK 1,419 million from DKK 1,385 million in 2007. Net profit increased by 2% to DKK 1,062 million against DKK 1,042 million in 2007. Adjusting for the one-off item in 2007, profit before tax and net profit both increased by 8%.

Appendix 3

Operating cash flow DKK 1,698 million

Cash flow, investments, and acquisitions

Cash flow from operating activities was DKK 1,697 million for 2008 against DKK 1,714 million in 2007. However, adjusting for the one-off item in 2007, cash flow from operating activities was up by 2%. The development in net interest expenses, receivables, and higher inventory affected operating cash flow negatively, whereas increased payables impacted positively.

High investment level driven by growth focus

Net investments excluding acquisitions were DKK 942 million in 2008, compared to DKK 735 million in 2007. The main reasons for the increased investment level were the expansion of enzyme production in China and the expansion of R&D facilities, especially in Denmark and the US, including purchase of a previously rented facility in Denmark at DKK 70 million.

Free cash flow before acquisitions was DKK 755 million against DKK 963 million for 2007. Adjusting for the one-off item, free cash flow before acquisitions was DKK 907 million for 2007. The reduction in free cash flow can mainly be explained by the higher investment level in 2008.

Appendix 4

Net debt-to-equity ratio of 31%

Balance sheet and Statement of shareholders' equity

Shareholders' equity was DKK 4,476 million at December 31, 2008, against DKK 3,667 million at year-end 2007. Shareholders' equity was increased by net profit for the period and reduced by currency translation adjustments in respect of subsidiaries' net assets and dividend payments of DKK 309 million. Shareholders' equity represented 45% of the balance sheet total against 41% at year-end 2007. Net debt-to-equity was 31% at year-end 2008, compared to 48% at year-end 2007. This reduction is the result of both reduced net debt and increased equity.

ROIC of 19.5%

For 2008 return on invested capital was 19.5% compared to 21.7% for 2007. This development can be explained by the favorable impact of the 2007 one-off item and the high investment level in 2008.

At December 31, 2008, the holding of treasury stock was 3.0 million B shares, equivalent to 4.7% of the total number of shares outstanding.

Accounting policies

IAS 34

The financial statement for the fourth quarter of 2008 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly financial statements by listed companies. The financial statement for 2008 follows the same accounting policies as the Group financial statement for 2007.

Outlook 2009

Growth despite slowdown and uncertainty

In view of the economic environment, Novozymes considers its current 2009 growth outlook satisfactory. The severity of the global economic slowdown remains very uncertain, and efforts have been made to reflect this in the outlook by providing wider spans than previously. The slowdown in the fourth quarter is not considered a reliable indicator of 2009 full-year performance.

The 2009 sales outlook includes only a minor positive effect from the price increases announced previously.

Growth in sales of enzymes for US bioethanol production is expected to follow the Renewable Fuel Standard.

Preparing for higher future growth with 2009–2010 investments

Total expected investments in 2009 are DKK 1.3–1.5 billion. This includes the building of a new enzyme plant in Nebraska, USA, at a cost of USD 160–200 million in 2009–2010. Compared to the initial announcement, this roughly represents a doubling of the capacity to be built as well as investment cost, in order to ensure that future demand from the growing biofuels market can be met in the years to come. Final scaling is dependent on external factors to be resolved in the coming months. Furthermore, in 2009 DKK 200–300 million will be invested in expansion of enzyme capacity at existing facilities, among other things to optimize flexibility for the detergent industry. Finally, in 2009–2010 BioBusiness will build a plant for production of high-grade hyaluronic acid (bHA) in Tianjin, China, on Novozymes' existing site. Total investment is expected to be DKK 200–300 million, evenly distributed over the period.

It is expected that the operational cash flow generated will remain at historic levels and be able to cover the investment need, leaving free cash flow before acquisitions positive. For 2009 free cash flow before acquisitions is expected to be DKK 100–300 million.

There are currently no plans for stock buy-back.

The spot rates on January 21, 2009, for the company's key currencies were notably higher than the average rates in 2008, which positively affects outlook in DKK.

(DKK)	USD	JPY	CNY
Average exchange rate 2008	510	4.95	73.44
Spot rate Januar 21, 2009	577	6.42	84.40
Change in estimated average exchange rate for 2009 compared with average exchange rate in 2008*	13%	30%	15%

*Estimated average exchange rate for 2009 = spot rate January 21, 2009

Assuming that exchange rates for the company's key currencies remain at the spot rates on January 21, 2009, particularly the EUR, USD, JPY, and CNY, the outlook is:

Revenue	Growth of 8–13% in DKK, 3–8% in LCY. See Appendix 10 for details.
Operating profit	Growth of 10–15% in DKK.
Operating margin	Operating profit margin of ~19%.
Net profit	Growth of 5–10% in DKK.
Net investments	Investments of DKK 1.3–1.5 billion.
Free cash flow	Free cash flow before acquisitions of DKK 100–300 million.
ROIC	Return on invested capital after tax (ROIC) of around 19%.

Note: Other things being equal, a 5% movement in the USD is expected to have an impact on operating profit of DKK 45–65 million.

Sustainability discussion

Appendix 6

Consumption of water and energy well within target

Water and energy – Effective utilization of resources

Consumption of water related to goods sold fell by 2%, while consumption of energy related to goods sold was flat in 2008 compared to last year. The targets for 2008 were to limit the increase in water and energy consumption to 1% less than realized sales growth in local currencies. Both targets were met.

Significant spills

There were no significant spills in 2008.

Occupational accidents

The frequency of reported occupational accidents resulting in absence was 4.9 per million working hours in 2008, which is slightly lower than in 2007 but above the target for 2008 of maximum 4.5 occupational accidents per million working hours. Going forward, focus will be on reducing the frequency.

Rate of employee turnover and absence

The rate of employee turnover for 2008 was 11.3% compared to 9.0% in 2007. The target for 2008 was 12% (equivalent to 9%, excluding the effect of the closure of sHa production in China). The rate of absence was 2.2% for the full year, which was on a par with 2007. Both employee targets for 2008 were met.

Novozymes has set a number of targets within the sustainability area for 2008 and 2009. An overview and a report on progress can be found at www.report2008.novozymes.com.

Strategic update

New, increased long-term targets

Given the global trends and the growth experienced in recent years, the Board of Directors and Executive Management have set new, ambitious, long-term financial targets for Novozymes. These are:

- Organic sales growth of more than 10% p.a. (plus enzymes for biomass conversion)
- Operating margin of more than 20%
- ROIC of more than 22%

Sustainability an integrated part of the business

The targets are expected to be achievable while maintaining Novozymes' capital structure target of an equity ratio of around 45%. New long-term targets have also been set within sustainability to ensure that Novozymes' technology is part of the solution to the global challenges, and that the company minimizes its own environmental impact, while pursuing financial performance.

Ambition of "10 in 10" maintained

The ambition of revenue of 10 billion in 2010 – "10 in 10" – is in line with the new long-term targets. Thus, "10 in 10" remains a feature of Novozymes' various incentive programs. At present "10 in 10" is considered achievable. Global economic slowdown and unfavorable exchange rate levels constitute the biggest threats to achieving this ambition.

Unchanged strategy – focus on accelerating sales growth

Novozymes is maintaining its strategic frameworks for developing the business. Focus remains on accelerating sales growth by investing in research and development, and business development, both within Enzyme Business and BioBusiness.

Enzyme sales for 2G bioethanol to be added to growth target

The long-term target for sales growth does not include growth from acquisitions or sale of enzymes for biomass conversion, i.e., second-generation (2G) bioethanol production. At present, it is too early to estimate a reliable growth path for this enzyme application beyond a marginal scale. However, if Novozymes is successful within this area, then the long-term growth target is likely to be increased. The target of sales growth of more than 10% assumes organic sales growth across the business, with different industries expected to take the lead in different years. Enzymes are expected to continue to be the major growth contributor. However, the aim is to build BioBusiness into a DKK multibillion business within 5–10 years.

Although targeting organic growth, Novozymes will continue to pursue acquisitions within areas where there is a strategic fit with the current technology platform.

Higher future growth from increased investments

Novozymes has historically grown sales by around 8% annually, without having had to invest much more than maintenance requirements (~6% of revenue). In order to grow above this level for a sustained period of time, additional production capacity is needed. Thus, organic growth of more than 10% p.a. implies an increased need for investments in the coming years. Total investments in 2009–2010 are expected to be DKK 2.5–2.8 billion. The investments to be made are slightly different from previously as the potential sales growth is conditional on available capacity, for example in 2G bioethanol and BPI. If Novozymes does not invest upfront, a market may not develop and sales growth may not be enabled. Beyond 2010, it is currently expected that investments will decline to a level of around 8% of revenue.

It is expected that the operating cash flow generated can cover annual investment needs.

Earnings development

Going forward, productivity improvements are expected to continue at the same high level as seen historically. This is pivotal to increasing the operating margin to more than 20%. The ambition is for BioBusiness to close in on the profit margin for Enzyme Business. However, given that BioBusiness is an area under development, the profit margin will continue to be unfavorably affected by R&D and business development costs, as well as a relatively high investment level, as these have to be incurred to enable sales.

Read more about Novozymes' ambitions and long-term targets at www.report2008.novozymes.com.

Dividend

Dividend of DKK
5.25 proposed for
2008

At the Annual Shareholders' Meeting on March 4, 2009, the Board of Directors will recommend payment of a dividend of DKK 5.25 per share for the 2008 financial year, an increase of 5% compared to 2007. In accordance with the established dividend policy of repaying approximately 30% of net profit for the year, the payout ratio for 2008 is 30.6% against 29.7% for 2007.

Forward-looking statements

This Company announcement contains forward-looking statements, including the financial outlook for 2009. Forward-looking statements are, by their very nature, associated with risks and uncertainties that may cause actual results to differ materially from expectations. The uncertainties may include unexpected developments in the international currency exchange and securities markets, market-driven price decreases for Novozymes' products, and the launch of competing products within Novozymes' core areas.

Bagsvaerd, January 22, 2009

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Novozymes A/S

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Novozymes is the world leader in bioinnovation. Together with customers across a broad array of industries we create tomorrow's industrial biosolutions, improving our customers' business and the use of our planet's resources. Read more at www.novozymes.com.

Statement of the Board of Directors and the Management

The Board of Directors and the Management have considered and approved the audited Group financial statement for Novozymes A/S for 2008.

The Group financial statement has been prepared in accordance with International Financial Reporting Standards (IAS 34), and additional Danish regulations for the presentation of Group financial statements by listed companies.

In our opinion the accounting policies used are appropriate, the Group's internal controls relevant to preparation and presentation of a Group financial statement are adequate, and the Group financial statement gives a true and fair view of the Group's assets, liabilities, net profit, and financial position at December 31, 2008, and of the results of the Group's operations and cash flow for 2008.

We further consider that the Management's review in the preceding pages gives a true and fair view of the development in the Group's activities and business, the profit for the period, and the Group's financial position as a whole, and a description of the most significant risks and uncertainties to which the Group is subject.

Bagsvaerd, January 22, 2009

Management:

Steen Riisgaard
President and CEO

Benny D. Loft

Per Falholt

Peder Holk Nielsen

Thomas Nagy

Thomas Videbæk

Board of Directors:

Henrik Gürtler
Chairman

Kurt Anker Nielsen
Vice-Chairman

Paul Petter Aas

Arne Hansen

Jerker Hartwall

Søren Jepsen

Ulla Morin

Walther Thygesen

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Appendix 1: Main items and key figures

1.1 Fourth quarter 2008

(DKK million)	2008	2007	% change	2008 4Q	2007 4Q	% change
Revenue	8,146	7,438	10%	2,025	1,844	10%
Gross profit	4,359	3,949	10%	1,103	986	12%
Gross margin	53.5%	53.1%		54.5%	53.5%	
Operating profit	1,504	1,481	2%	370	332	12%
Operating profit margin	18.5%	19.9%		18.3%	18.0%	
Net financials	(85)	(96)		(52)	(21)	
Profit before tax	1,419	1,385	2%	318	311	2%
Corporation tax	(357)	(343)	4%	(77)	(79)	-3%
Net profit	1,062	1,042	2%	241	232	4%
Attributable to:						
Shareholders in the parent company	1,062	1,048	1%	241	237	2%
Equity minority interests	0	(6)		0	(5)	
Foreign exchange gain/(loss), net etc.	(34)	5		(49)	(4)	
Interest income/(costs)	(106)	(78)		(10)	(22)	
Other financial items	55	(23)		7	5	
Total financial income/(costs)	(85)	(96)	11%	(52)	(21)	-148%
Earnings per DKK 10 share	17.17	16.93	1%	3.89	3.85	1%
Average no. of A/B shares, outstanding (million)	61.9	61.9		61.9	61.8	
Earnings per DKK 10 share (diluted)	16.86	16.47	2%	3.83	3.76	2%
Average no. of A/B shares, diluted (million)	63.0	63.6		62.9	63.4	
Free cash flow before acquisitions	755	963	-22%			
Return on invested capital after tax (ROIC), incl. goodwill	19.5%	21.7%				
Net interest-bearing debt	1,380	1,769	-22%			
Equity ratio	45.1%	41.3%				
Return on equity	26.1%	29.5%				
Debt to equity ratio	30.8%	48.2%				

1.2 2004–2008

(DKK million)	2008	2007	Full year		2004
			2006	2005	
Revenue	8,146	7,438	6,802	6,281	5,988
- Enzyme Business	7,533	6,893	6,320	5,898	5,690
- BioBusiness	613	545	482	383	298
Gross profit	4,359	3,949	3,655	3,345	3,150
Gross margin	53.5%	53.1%	53.7%	53.3%	52.6%
- Enzyme Business gross profit	4,233	3,818			
- Enzyme Business gross margin	56.2%	55.4%			
- BioBusiness gross profit	126	131			
- BioBusiness gross margin	20.6%	24.0%			
Operating profit (EBIT)	1,504	1,481	1,340	1,206	1,089
Operating profit margin	18.5%	19.9%	19.7%	19.2%	18.2%
Net financials	(85)	(96)	(122)	(56)	(103)
Profit before tax	1,419	1,385	1,218	1,150	1,056
Corporation tax	(357)	(343)	(307)	(289)	(281)
Net profit	1,062	1,042	911	861	775
Minority interests	0	6	(2)	(3)	(11)
Net profit including minority interests	1,062	1,048	909	858	764
Foreign exchange gain/(loss), net	(34)	5	(50)	(7)	33
Interest income/ (costs)	(106)	(78)	(26)	(23)	(105)
Other financial items	55	(23)	(46)	(26)	(31)
Total financial income/(costs)	(85)	(96)	(122)	(56)	(103)
Return on invested capital after tax (ROIC)	19.5%	21.7%	20.2%	19.3%	17.4%
Earnings per DKK 10 share	17.17	16.93	14.46	13.10	11.19
Average no. of A/B shares, outstanding (million)	61.9	61.9	62.9	65.5	68.3
Earnings per DKK 10 share (diluted)	16.86	16.47	14.09	12.79	10.95
Average no. of A/B shares, diluted (million)	63.0	63.6	64.5	67.1	69.8
Net interest-bearing debt	1,380	1,769	1,455	877	638
Equity ratio	45.1%	41.3%	42.6%	51.9%	55.8%
Return on equity	26.1%	29.5%	25.4%	22.2%	19.3%

1.3 Income statement

(DKK million)	2008	2007	% change Y/Y
Revenue	8,146	7,438	10
Cost of goods sold	(3,787)	(3,489)	9
Gross profit	4,359	3,949	10
Sales and distribution costs	(1,061)	(921)	15
Research and development costs	(1,096)	(995)	10
Administrative costs	(745)	(675)	10
Other operating income, net	47	123	(62)
Operating profit	1,504	1,481	2
Financial income	263	130	102
Financial costs	(348)	(226)	54
Profit before tax	1,419	1,385	2
Corporation tax	(357)	(343)	4
Net profit	1,062	1,042	2
Attributable to:			
Shareholders in the parent company	1,062	1,048	
Minority interests	0	(6)	

1.4 Segment information

Novozymes' operating segments reflect the way the activities are organized and controlled. Although revenue within Enzyme Business can be subdivided into further activities, the activities are considered to be integrated, as most of the production facilities are common to the segment as a whole. Gross profit is the primary parameter used when the Management evaluates the performance of the segments.

The functions for Sales and distribution, Research and development, and Administrative are considered as working for both segments and their cost are therefore allocated to the Corporate function. Revenue between the individual segments is deducted in the revenue of the selling company and amounts to DKK 24 million in 2008 (DKK 20 million in 2007).

Income statement	2008				2007			
	Enzyme Business	BioBusiness	Corporate	Total	Enzyme Business	BioBusiness	Corporate	Total
	DKK million	DKK million	DKK million	DKK million	DKK million	DKK million	DKK million	DKK million
Revenue	7,533	613	-	8,146	6,893	545	-	7,438
Cost of goods sold	3,300	487	-	3,787	3,075	414	-	3,489
Gross profit	4,233	126	-	4,359	3,818	131	-	3,949
Sales and distribution costs			1,061	1,061			921	921
Research and development costs			1,096	1,096			995	995
Administrative costs			745	745			675	675
Other operating income, net			47	47			123	123
Operating profit				1,504				1,481
Capital expenditure								
Acquisition of companies	-	-	-	-	605	111	-	716
Intangible assets	-	32	25	57	-	-	14	14
Property, plant and equipment	585	52	265	902	422	126	181	729
Capital expenditure, total	585	84	290	959	1,027	237	195	1,459
Depreciation, amortization, and impairment loss								
Intangible assets	22	33	42	97	9	35	51	95
Property, plant and equipment	282	69	108	459	263	33	99	395
Depreciation, amortization, and impairment loss	304	102	150	556	272	68	150	490
Assets								
Inventories	1,386	171	-	1,557	1,113	209	-	1,322
Trade receivables	1,391	59	-	1,450	1,265	79	-	1,344

Appendix 2: Distribution of sales

2.1 By industry

(DKK million)	2008	2007	% change
Enzyme Business	7,533	6,893	9
- detergent enzymes	2,498	2,239	12
- technical enzymes	2,479	2,250	10
- food enzymes	1,812	1,699	7
- feed enzymes	744	705	6
BioBusiness	613	545	12
- microorganisms	405	308	31
- BPI	208	237	(12)
Sales	8,146	7,438	10

2.2 By geographical area

(DKK million)	2008	2007	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	3,057	3,039	1	(0)	1
North America	2,981	2,412	24	(8)	32
Asia Pacific	1,502	1,466	2	(3)	5
Latin America	606	521	16	(3)	19
Sales	8,146	7,438	10	(3)	13

2.3 Quarterly sales by industry

(DKK million)	2008				2007				% change 4Q/4Q
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	
Enzyme Business	1,868	1,963	1,861	1,841	1,755	1,757	1,658	1,723	6
- detergent enzymes	582	653	627	636	539	573	555	572	8
- technical enzymes	699	629	588	563	599	579	534	538	17
- food enzymes	415	486	453	458	428	435	402	434	(3)
- feed enzymes	172	195	193	184	189	170	167	179	(9)
BioBusiness	157	99	172	185	89	103	145	208	76
- microorganisms	64	83	126	132	62	71	91	84	3
- BPI	93	16	46	53	27	32	54	124	244
Sales	2,025	2,062	2,033	2,026	1,844	1,860	1,803	1,931	10

2.4 Quarterly sales by geographical area

(DKK million)	2008				2007				% change 4Q/4Q
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q	
Europe, Middle East & Africa	693	827	762	775	726	782	734	797	(5)
North America	789	715	737	740	588	593	592	639	34
Asia Pacific	378	361	390	373	386	358	355	367	(2)
Latin America	165	159	144	138	144	127	122	128	15
Sales	2,025	2,062	2,033	2,026	1,844	1,860	1,803	1,931	10

Appendix 3: Statement of cash flow and financial resources

(DKK million)	2008	2007
Net profit	1,062	1,042
Reversals of non-cash expenses	993	1,028
Corporation tax paid	(129)	(186)
Interest received	94	98
Interest paid	(198)	(159)
Cash flow before change in working capital	1,822	1,823
Change in working capital		
(Increase)/decrease in receivables	(199)	(113)
(Increase)/decrease in inventories	(243)	39
Increase/(decrease) in trade payables and other liabilities	317	(35)
Cash flow from operating activities	1,697	1,714
Investments		
Purchase of intangible assets	(57)	(14)
Sale of property, plant and equipment	17	8
Purchase of property, plant and equipment	(902)	(729)
Purchase of minority stock	0	(16)
Cash flow from investing activities before acquisitions	(942)	(751)
Free cash flow before acquisitions	755	963
Acquisition of activities and companies	0	(716)
Free cash flow after acquisitions	755	247

Appendix 4: Balance sheet and Statement of shareholders' equity

4.1 Balance sheet

Assets (DKK million, end of period)	2008 End	2007 End
Completed IT development projects	12	24
Acquired patents, licenses and know-how	696	766
Goodwill	415	500
IT development projects in progress	56	31
Intangible assets	1,179	1,321
Land and buildings	1,807	1,729
Plant and machinery	1,388	1,129
Other equipment	343	307
Property, plant and equipment under construction	781	677
Property, plant and equipment	4,319	3,842
Deferred tax assets	68	47
Other financial assets (non-interest-bearing)	75	8
Total non-current assets	5,641	5,218
Raw materials and consumables	243	251
Goods in progress	342	317
Finished goods	972	754
Inventories	1,557	1,322
Trade receivables	1,450	1,344
Tax receivable	18	207
Other receivables	146	124
Receivables	1,614	1,675
Other financial assets (interest-bearing)	46	116
Other financial assets (non-interest-bearing)	70	80
Total other financial assets	116	196
Cash at bank and in hand	997	460
Total current assets	4,284	3,653
Total assets	9,925	8,871

Liabilities and shareholders' equity (DKK million)	2008 End	2007 End
Common stock	650	650
Treasury stock	(1,791)	(1,837)
Other reserves	(32)	23
Retained earnings	5,638	4,821
Minority interests	11	10
Total shareholders' equity	4,476	3,667
Deferred tax liabilities	850	939
Long-term employee benefits	16	16
Non-current provisions	121	131
Non-current financial liabilities (interest-bearing)	1,511	1,566
Non-current financial liabilities (non-interest-bearing)	65	158
Total non-current liabilities	2,563	2,810
Financial liabilities (interest-bearing)	911	779
Financial liabilities (non-interest-bearing)	181	35
Provisions	33	84
Trade payables	630	422
Tax payable	161	49
Other current liabilities	970	1,025
Total current liabilities	2,886	2,394
Total liabilities	5,449	5,204
Total liabilities and shareholders' equity	9,925	8,871

4.2 Statement of shareholders' equity

(DKK million, end of period)	2008	2007
Shareholders' equity excl. minority interests – beginning of period	3,657	3,359
Net profit	1,062	1,048
Dividend paid	(309)	(278)
Purchase of treasury stock, net	24	(388)
Currency translation of net assets, etc.	31	(84)
Shareholders' equity excl. minority interests	4,465	3,657
Minority interests – beginning of period	10	34
Net profit	0	(6)
Dividend paid	0	(1)
Currency translation of net assets, etc.	1	(1)
Change in minority interests	0	(16)
Minority interests – end of period	11	10
Total equity – end of period	4,476	3,667

Appendix 5: New products launched in 2008

1Q 2008	Celluclean®, a detergent enzyme that provides strong whiteness and anti-graying effect, thus enhancing the effect from bleach.
3Q 2008	Attenuzyme® Flex, an enzyme for shortened process time and better control in the production of light and low-carb beers.
3Q 2008	CellPrime™ rTransferrin AF, a recombinant animal-free cell culture supplement, enhancing the growth and productivity of cells during the manufacture of biopharmaceutical products through improved iron transport.
4Q 2008	RONOZYME® ProAct, a feed enzyme optimizing protein utilization, improving nutritional value, and enhancing animal performance, leading to cost savings.
4Q 2008	Lactose Oxidase, a food enzyme allowing the dairy industry to add value to the whey stream. Whey is a by-product of cheesemaking.
4Q 2008	Pectinex® Ultra Mash, an enzyme applied to improve the yields in apple juice production during mashing, offering increased yield and smoother processing in comparison to existing enzyme solutions.
4Q 2008	Novozym® 12001, a food enzyme that allows the use of soya protein in a broad range of food applications, making them healthier and improving taste.
4Q 2008	FiberCare® D, an enzyme for use in the pulp and paper industry. The enzyme improves drainage performance in paper mills producing paper and cardboard from recycled paper and cardboard. Benefits include improved process time.

Appendix 6: Selected key figures, environmental and social data

	2008	2007	% change
Water consumption (related to goods sold), 1,000 m ³	5,319	5,439	(2)
Energy consumption (related to goods sold), 1,000 GJ	3,752	3,745	0
Significant spills	-	-	
Fatalities	-	-	
Frequency of occupational accidents per million working hours	4.9	4.8	
Number of employees on December 31	5,146	4,933	4
Rate of employee turnover	11.3%	9.0%	
Rate of absence	2.2%	2.2%	

Appendix 7: Company announcements for 2008

Excluding management's trading in Novozymes shares

January 25, 2008	Group financial statement for 2007
February 6, 2008	Major shareholder announcement
March 6, 2008	Annual Shareholders' Meeting 2008
April 24, 2008	Group financial statement for the first quarter of 2008
August 14, 2008	Group financial statement for the first half of 2008
October 31, 2008	Group financial statement for the first nine months of 2008

Appendix 8: Financial calendar 2009–2010

January 22, 2009	Group financial statement for 2008
April 29, 2009	Group financial statement for the first quarter of 2009
August 13, 2009	Group financial statement for the first half of 2009
September 8-9, 2009	Capital Market Days
October 28, 2009	Group financial statement for the first nine months of 2009
January 28, 2010	Group financial statement for 2009

Appendix 9: 2009 financial outlook

	January 22, 2009	
	DKK	LCY
Sales growth	8-13%	3-8%
Growth in operating profit	10-15%	
Operating profit margin	~19%	
Growth in net profit	5-10%	
Free cash flow before acquisitions, DKKm	100-300	
Net Investments, DKK billion	1.3-1.5	
ROIC	~19%	

Appendix 10: Sales outlook by area

	Expected growth		
	January 22, 2009		Long-term target (LCY)
	2009 (DKK)	2009 (LCY)	
Detergent enzymes	4-8%	1-5%	>10%*
Technical enzymes	15-20%	8-13%	
Food enzymes	5-9%	1-5%	
Feed Enzymes	15-20%	10-15%	
Microorganisms	0%	~(10)	
BPI	~10%	~5%	
Total sales	8-13%	3-8%	

*Organic growth, incl. surfactant replacement enzymes, excl. enzymes for biomass conversion.

