

## INTERIM REPORT FOR THE FIRST HALF OF 2012

August 16, 2012

### Sales and earnings in 1H 2012 as expected. FY 2012 expectation for EBIT growth increased; sales growth outlook adjusted within previous ranges

*Sales growth in DKK was 7% (3% LCY, 3% organic) compared with the first half of 2011. EBIT grew by 12%, and the EBIT margin increased to 24.2%. The expectation for full-year 2012 EBIT growth is increased to 11-14% from 9-12%, and EBIT margin is now expected at 23-24%. The expectation for organic sales growth is adjusted within the previously announced range to 4-6%. Sales growth in LCY is now expected at 3-5% and in DKK at 7-9%.*

In 1H 2012:

- Sales increased by 7% in DKK and by 3% in LCY and organically vs. 1H 2011
- Gross margin was 57.0%, an increase of 0.7 percentage point compared with 1H 2011 (on par with 1H 2011 when adjusting for the acquisition impact in 1H 2011)
- EBIT was DKK 1,354 million, up 12% on 1H 2011
- EBIT margin was 24.2%, an improvement of 1.0 percentage point on 1H 2011
- Net profit was DKK 1,003 million, an increase of 6% compared with 1H 2011
- Net investments excluding acquisitions were DKK 518 million, vs. DKK 547 million in 1H 2011
- Free cash flow before acquisitions totaled DKK 721 million, against DKK 1,001 million in 1H 2011
- ROIC including goodwill was 20.4%, against 22.1% in 1H 2011

*“First-half sales and earnings development was as expected, and we have delivered according to plan,” says Steen Riisgaard, President & CEO. “Sales to some of the industries we serve, such as Household Care, are doing great. However, for other industries we serve – especially the U.S. biofuel industry – 2012 will be a more challenging year than previously expected. It’s also clear that the global economic situation is still uncertain. As a consequence, we’re adjusting our expectations for sales growth within the previously announced ranges. On the earnings side, I’m satisfied that we’re able to increase the full-year outlook for EBIT.”*

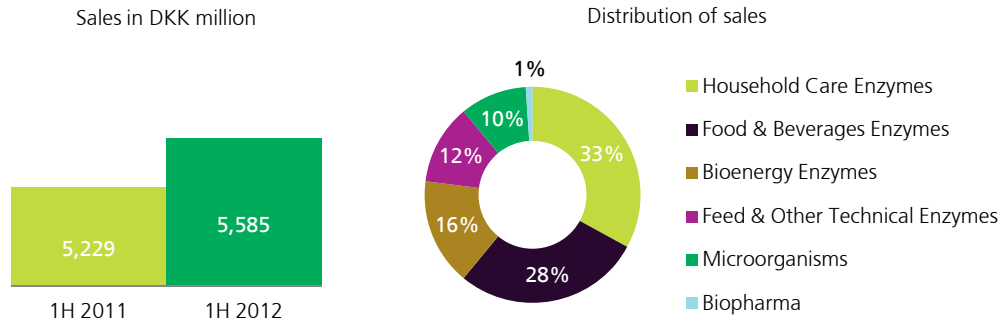
	Realized		2012 outlook August 16*	2012 outlook April 25
	1H 2012	1H 2011		
Sales, DKKm	5,585	5,229		
Sales growth, DKK	7%	9%	7-9%	7-11%
Sales growth, LCY	3%	11%	3-5%	3-7%
Sales growth, organic	3%	6%	4-6%	4-8%
EBIT, DKKm	1,354	1,213		
EBIT growth	12%	9%	11-14%	9-12%
EBIT margin	24.2%	23.2%	23-24%	22-23%
Net profit, DKKm	1,003	946		
Net profit growth	6%	15%	5-7%	5-8%
Net investments excl. acquisitions, DKKm	518	547	~1,200	~1,200
Free cash flow before acquisitions, DKKm	721	1,001	~1,500	~1,500
ROIC (including goodwill)	20.4%	22.1%	~20%	~20%
Avg. USD/DKK	573	532	590	566
EPS (diluted), DKK	3.14	2.95		

\* Assumes exchange rates for the company’s key currencies remain at the closing rates on August 15 for the rest of 2012.

## Sales by industry

Total sales up 7% in DKK, 3% in LCY and organically

**Total sales** in the first half of 2012 were DKK 5,585 million, an increase of 7% compared with the first half of 2011. Exchange rates impacted sales positively, and sales in LCY were up by 3%. Acquisitions and divestments had a minor negative net impact on sales growth, and sales were up by 3% organically.

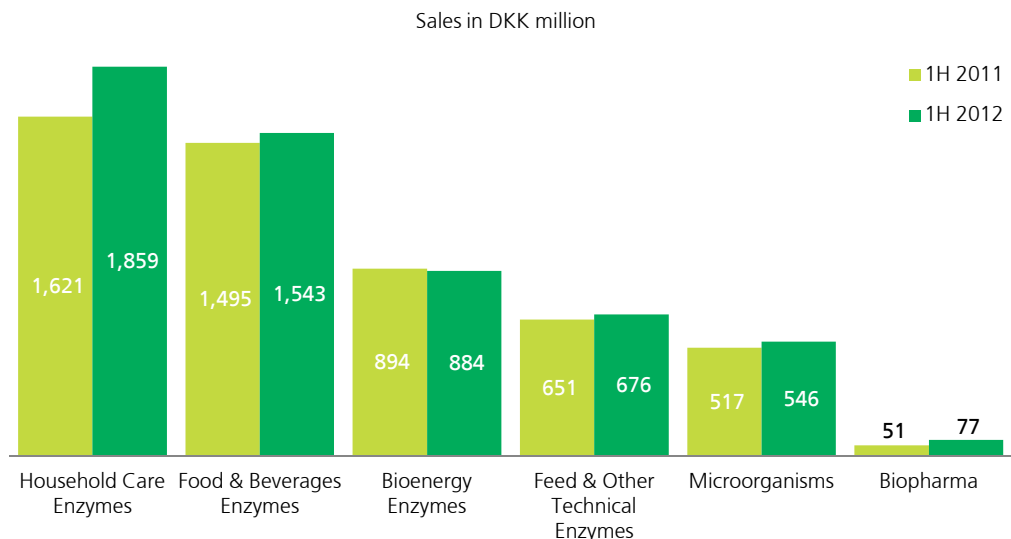


Enzyme Business sales up 6% in DKK

**Enzyme Business** sales were DKK 4,962 million, up by 6% compared with the first half of 2011. In LCY, sales were up by 3% compared with the first half of 2011. Sales of Household Care Enzymes were the strongest growth contributor in the period.

BioBusiness sales up 10% in DKK

**BioBusiness** sales were DKK 623 million, an increase of 10% in DKK. Sales in LCY were up by 4% compared with the first half of 2011. BioBusiness sales were up by 8% organically, excluding the acquisition impact of EMD/Merck Crop BioScience and the divestment impact of Novozymes' Biopharma operations in Sweden.



Household Care Enzymes sales up 15% in DKK

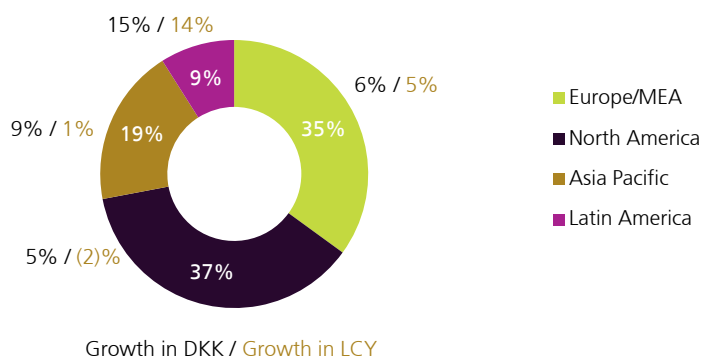
**Household Care Enzymes sales** increased by 15% in DKK and by 13% in LCY compared with the first half of 2011. The strong sales growth was driven by a continued increase in penetration of enzymes across detergent tiers to enhance wash performance, enable low-temperature washing and replace traditional chemicals in detergent formulations. Sales of Household Care Enzymes to the emerging markets continued to be a strong contributor to global sales growth.

## Interim report for the first half of 2012

---

<p>Food &amp; Beverages Enzymes sales up 3% in DKK</p>	<p><b>Food &amp; Beverages Enzymes sales</b> increased by 3% in DKK and were down by 1% in LCY compared with the first half of 2011. Enzyme sales to the baking industry and for the production of healthy foods were the main positive contributors to sales development. Enzyme sales to the starch and beverage alcohol industries had a slightly negative impact on sales development compared with the same period last year.</p>
<p>Bioenergy Enzymes sales down 1% in DKK</p>	<p><b>Bioenergy Enzymes sales</b> were down by 1% in DKK and by 8% in LCY compared with the first half of 2011. The U.S. Energy Information Administration estimates U.S. ethanol production to have been roughly flat during the first half of 2012 compared with the first half of 2011, following a challenging second quarter for the U.S. ethanol industry. Bioenergy Enzymes sales were lower for the period as a result of lower enzyme content per gallon of ethanol produced, a shift in ethanol output among ethanol producers and previously mentioned price and product mix changes. The price and product mix changes have had the desired impact in the marketplace, strengthening Novozymes' position.</p>
<p>Feed &amp; Other Technical Enzymes sales up 4% in DKK</p>	<p><b>Feed &amp; Other Technical Enzymes sales</b> were up by 4% in DKK and flat in LCY compared with the first half of 2011. Enzyme sales to the animal feed industry exhibited solid growth in the period as a result of improved phytase enzyme sales and a continued positive development for RONOZYME<sup>®</sup> ProAct on the Latin American and European markets. Enzyme sales to the other technical industries were lower for the period, mainly due to challenged textile enzyme sales, which, however, showed signs of improvement in the second quarter.</p>
<p>Microorganisms sales up 6% in DKK</p>	<p><b>Microorganisms sales</b> were up by 6% in DKK and flat in LCY compared with the first half of 2011. Organically, sales were down by 1%, adjusting for the acquisition of EMD/Merck Crop BioScience on February 7, 2011. The lower sales were mainly a result of a moderate decline in Microorganisms sales to the BioAg industry in North America, whereas the international BioAg markets in Asia and Europe developed well from a low base. Microorganisms sales to the wastewater industry and for cleaning solutions were roughly flat compared with the first half of 2011.</p>
<p>Biopharma sales up 51% in DKK</p>	<p><b>Biopharma sales</b> were up by 51% in DKK and by 41% in LCY. The divestment of Biopharma Sweden activities late 2011 had a considerable negative impact on sales development and, organically, Biopharma sales more than doubled from the new, lower base compared with the same period last year. The positive development was driven by increased sales of recombinant albumin and by positive timing effects between quarters. Sales from the new hyaluronic acid facility in China contributed positively to Biopharma sales in the first half of 2012, though still at a limited level.</p>

## Sales by geography



6% DKK growth in Europe/MEA

**Sales in Europe, the Middle East and Africa (Europe/MEA)** increased by 6% in DKK and by 5% in LCY compared with the first half of 2011. The increase was driven mainly by Household Care Enzymes and Microorganisms. The divestment of Novozymes' Biopharma operations in Sweden had a negative impact in the period.

North America sales up 5% in DKK

**Sales in North America** were up by 5% in DKK and down by 2% in LCY compared with the first half of 2011. Household Care Enzymes and Biopharma were the main positive contributors to the development, whereas lower sales of Bioenergy Enzymes and Microorganisms had a negative impact in the period.

Asia Pacific sales up 9% in DKK

**Sales in Asia Pacific** were up by 9% in DKK and by 1% in LCY compared with the first half of 2011. Household Care Enzymes sales and sales of Microorganisms were the main contributors to the positive development, whereas sales within Food & Beverages and Feed & Other Technical Enzymes were the main negative contributors.

15% DKK growth in Latin America

**Sales in Latin America** were up by 15% in DKK and by 14% in LCY compared with the first half of 2011. Household Care Enzymes sales were the main driver of the positive development, whereas it was mainly Food & Beverages Enzymes sales that contributed negatively to sales development.

## Costs, Other operating income and EBIT

Total costs increased by 5%

**Total costs** excluding net financials and tax were DKK 4,278 million, an increase of 5% compared with the same period last year. Cost of goods sold and other operating costs were impacted negatively by higher raw material prices, currency exchange rate developments and a higher cost base associated with a higher activity level in R&D and higher sales and distribution costs, including business development. Total costs were also impacted by costs related to the new hyaluronic acid facility in China and the new enzyme plant in Nebraska, USA. The increase in total costs was partly offset by continued productivity improvements and the absence of the IFRS adjustment of acquired inventories at EMD/Merck Crop BioScience.

Gross margin up 0.7 %-point to 57.0%

**Gross profit** increased by 8% compared with the first half of 2011, and the gross margin was 57.0%, up 0.7 percentage point on the gross margin in the first half of 2011 and flat when adjusted for the acquisition impact in the first half of 2011. Continued productivity improvements in combination with the absence of the IFRS adjustment of acquired inventories at EMD/Merck Crop BioScience drove the positive development in gross margin. Higher raw material costs had a negative effect on gross margin development for the period compared with the first half of 2011.

## Interim report for the first half of 2012

The gross margin for Enzyme Business was 58.0%, down 1.1 percentage points compared with the first half of 2011. Higher raw material prices and costs related to the new enzyme plant in Nebraska, USA, were the most significant reasons for the lower gross margin, whereas continued productivity improvements partly offset the higher cost of goods sold.

The gross margin for BioBusiness was 49.1%, up from 33.3% in the first half of 2011 and up from ~42% when adjusted for the acquisition impact in the first half of 2011. The strong development in gross margin was primarily driven by productivity improvements in Microorganisms and higher sales in Biopharma.

**Other operating costs** increased by 6% to DKK 1,875 million compared with the first half of 2011. The ratio of other operating costs to sales was 34%, on par with the first six months of 2011. In 1H 2012, other operating costs were impacted by the full investment in additional R&D and business-building activities announced in January 2011.

R&D represents  
14% of sales

- Sales and distribution costs, including business development, increased by 5%, representing 13% of sales
- R&D costs increased by 7%, representing 14% of sales
- Administrative costs were up by 4%, representing 7% of sales

**Other operating income** increased slightly to DKK 47 million in the first half of 2012, compared with DKK 44 million in the first half of 2011. Milestone payments in BioBusiness were the main driver of the increase.

**Depreciation and amortization** was DKK 351 million for the period compared with DKK 342 million in the first half of 2011.

12% EBIT  
growth

24.2% EBIT  
margin

**EBIT** grew by 12% to DKK 1,354 million, up from DKK 1,213 million in the first half of 2011. The **EBIT margin** was 24.2% for the period, an increase of 1.0 percentage point compared with the first six months of 2011 and an increase of ~0.3 percentage point adjusted for the acquisition impact in the first half of 2011. Besides the positive acquisition impact, the EBIT margin was positively affected by the divestment of Novozymes' Biopharma operations in Sweden, higher sales and a favorable development in currency exchange rates.

## Net financials and Net profit

Net financial  
costs DKK 60  
million

**Net financial costs** totaled DKK 60 million in the first half of 2012, an increase of DKK 87 million compared with net financial income of DKK 27 million in the same period of 2011. The development was primarily caused by net currency hedging/revaluation losses of DKK 36 million in the period, compared with a gain of DKK 72 million in the first half of 2011. Compared with the same period last year, net interest expenses were DKK 8 million lower at DKK 18 million, and other financial costs were DKK 13 million lower at DKK 6 million.

**Profit before tax** increased by 4% to DKK 1,294 million, up from DKK 1,240 million in the first half of 2011.

Effective tax rate  
22.5%

The effective tax rate in the first half of 2012 was 22.5%, against 23.7% in the first half of 2011. The effective tax rate for 2012 benefits from utilization of the previously announced U.S. Advanced Energy Manufacturing tax credit, obtained in 2010, relating to the new plant in Nebraska, USA.

Net profit up 6%

**Net profit** for the period was DKK 1,003 million, an increase of 6% compared with the first half of 2011. The higher EBIT and lower tax rate had a positive impact on net profit, whereas the increased net financial costs impacted net profit negatively.

## Cash flow and Balance sheet

Operating cash flow DKK 1,239 million

**Cash flow from operating activities** came in at DKK 1,239 million in the first half of 2012, down from DKK 1,548 million in the same period in 2011. The lower operating cash flow was primarily caused by higher tax paid and an increase in working capital due to higher receivables.

Net investments excl. acq. DKK 518 million

**Net investments** excluding acquisitions totaled DKK 518 million, against DKK 547 million in the first half of 2011.

Free cash flow before acq. DKK 721 million

**Free cash flow before acquisitions** for the period was DKK 721 million, down from DKK 1,001 million in the first six months of 2011. The decrease was the result of the lower operating cash flow.

Equity ratio 63%

**Shareholders' equity** was DKK 8,864 million at June 30, 2012, marginally up from DKK 8,824 million at year-end 2011. Shareholders' equity was increased by net profit, but offset mainly by dividend payments and purchase of stock associated with the current share buyback program. Shareholders' equity represented 63% of the balance sheet total, down from 64% at year-end 2011.

Net interest-bearing debt was DKK 1,297 million at the end of the first half of 2012, compared with DKK 1,019 million at the end of 2011. The dividend payout of DKK 600 million in March 2012 and the DKK 500 million share buyback carried out during the first half of 2012 were the main reasons for the increase in net interest-bearing debt.

**Net debt-to-equity** was 15% at June 30, 2012, against 12% at year-end 2011.

ROIC 20.4%

**Return on invested capital (ROIC), including goodwill**, was 20.4%, compared with 22.1% in the first half of 2011. The lower ROIC was largely due to the higher level of invested capital, mainly as a result of the acquisition of EMD/Merck Crop BioScience in 2011.

At June 30, 2012, the holding of treasury stock was 11.02 million B shares, equivalent to 3.4% of the total number of shares issued. Year-to-date June 30, 2012, Novozymes had repurchased 3,141,429 shares worth approximately DKK 500 million within the expected DKK 1,000 million full-year share buyback program.

## Corporate social responsibility

On track to reach all targets for 2012

Water, energy and CO<sub>2</sub> efficiency all improved in the first half of 2012 compared with the first half of 2011, and Novozymes is on track to meet all targets set for environmental and social performance in 2012.

	1H 2012	1H 2011	2012 Target
Water efficiency (compared with 2005 )	33%	28%	33%
Energy efficiency (compared with 2005)	37%	31%	38%
CO <sub>2</sub> efficiency (compared with 2005)	52%	42%	50%
CO <sub>2</sub> emission reductions (million tons) from customers' application of Novozymes' products (calculated annually)			47
Significant spills	-	-	
Fatalities	1	-	
Occupational accidents per million working hours	1.7	2.9	<4.0
5,936 employees	Number of employees on June 30	5,936	5,798
Rate of employee turnover	8.5%	7.9%	>4% - <9%
Rate of absence	1.9%	1.9%	<3%

## Accounting policies

IAS 34

The Interim report for the first half of 2012 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly interim reports by listed companies. The Interim report for the first half of 2012 follows the same accounting policies as the annual report for 2011.

## Outlook

Sales and earnings development in the first half of 2012 was as expected. The general uncertainty about the global economic situation persisted, and Novozymes witnessed a relatively volatile but acceptable sales development from industry to industry, month to month, with good profitability. However, assessing the situation of the individual industries halfway through the year, it is no longer deemed likely that the company will reach the high end of the previously announced ranges for sales growth in DKK, LCY and organically, whereas the expectation for EBIT growth is increased following an improvement in the expected EBIT margin for the full year.

Sales growth  
 4-6% organic,  
 3-5% LCY,  
 7-9% DKK

Organic sales growth for full-year 2012 is now expected at 4-6% and sales growth in LCY at 3-5%. Based on exchange rates on August 15, 2012, sales growth in DKK is now expected at 7-9%.

Within Enzyme Business, Household Care Enzymes sales are still expected to be the strongest contributor to full-year sales growth, followed by enzyme sales to the animal feed industry, included in the Feed & Other Technical Enzymes area. With current visibility into recent developments in the U.S. biofuel industry, notably the ongoing drought and its impact on corn prices and availability, and in accordance with estimates from Renewable Fuels Association and other sources, Novozymes now expects that full-year 2012 U.S. ethanol production will end at around 13.4 billion gallons, a decrease of approximately 4% compared with 2011. For the second half of 2012, Novozymes expects an improvement in Bioenergy Enzymes sales relative to the production of ethanol, and full-year 2012 sales is expected to be lower than in 2011. Given the current market situation, Novozymes expects the rollout period of previously mentioned new and more efficient products to be extended and thus only to have a minor positive impact on sales in 2012.

BioBusiness sales are expected to grow solidly, although no longer in double digits organically. Both Microorganisms and Biopharma will contribute positively to the development. Biopharma sales grew very strongly in Q2 2012, partly due to timing between quarters, and, as a result, growth rates in Biopharma will decelerate in the second half of 2012. The divestment of Novozymes' Biopharma operations in Lund, Sweden, will have a negative sales impact of roughly DKK 90 million in 2012, which will impact both LCY and DKK sales growth negatively. This has been included in the guidance.

EBIT growth  
 11-14%

EBIT growth expectation is increased to 11-14% from 9-12%.

EBIT margin  
 23-24%

The EBIT margin is now expected at 23-24%. The increased expectation for EBIT margin is primarily a result of a favorable development in currency exchange rates and an expected lower increase in total costs. The full-year 2012 EBIT margin is still expected to be slightly below the level for the first six months of 2012, partly because the majority of Microorganisms sales and earnings within the BioAg industry take place during the first half of the year, and also due to higher costs related to the new enzyme plant in Nebraska, USA, in the second half of 2012.

Net profit  
 growth 5-7%

Net profit is now expected to grow by 5-7%. Expected USD exposure for 2012 has been hedged at 5.70 DKK/USD compared with 5.85 DKK/USD in 2011. A total of 75% of expected 2013 DKK/USD exposure has been hedged at 5.60. Around one-third of expected EUR exposure for the remainder of 2012 has been hedged at 7.43 DKK/EUR. For 2013, around 40% of expected EUR exposure has been hedged at 7.41 DKK/EUR.

## Interim report for the first half of 2012

Net investments DKK ~1.2 billion	For 2012, Novozymes expects around DKK 1.2 billion in net investments. Besides maintenance CAPEX, the main part of the investments relates to the Nebraska enzyme facility.
FCF before acq. DKK ~1.5 billion	Free cash flow before acquisitions is expected at around DKK 1.5 billion, mainly as a result of higher net profit and lower CAPEX compared with 2011.
ROIC ~20%	Return on invested capital is expected at around 20%, slightly lower than in 2011 as the acquisition of EMD/Merck Crop BioScience in 2011 has full impact in 2012.

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on August 15, 2012, for the full year.

(DKK)	EUR	USD	JPY	CNY
Average exchange rate 2011	745	536	6.73	82.94
Average exchange rate 1H 2012	744	573	7.20	90.76
Closing rate August 15, 2012	744	606	7,68	95,30
Estimated average exchange rate 2012*	744	590	7,44	93,03
Change in estimated exchange rate 2012 compared with average exchange rate 2011	0%	10%	11%	12%

\* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the closing rate ROY.

Note: Other things being equal, a 5% movement in the USD is expected to have an annual impact on EBIT of DKK 60-80 million.

The following sustainability expectations are also included in the outlook for 2012:

- Enable a 47 million ton reduction in CO<sub>2</sub> emissions through customer application of Novozymes' products
- Improve energy efficiency by 38% compared with 2005
- Improve CO<sub>2</sub> efficiency by at least 50% compared with 2005
- Improve water efficiency by 33% compared with 2005

6-8 new  
products

Six to eight new products are expected to be launched in 2012.

## Other

According to plan, the current President & CEO of Novozymes A/S, Steen Riisgaard, will retire from his position on March 31, 2013. His successor will be announced around year-end 2012. The new President & CEO will formally take office on April 1, 2013.

## Forward-looking statements

This company announcement contains forward-looking statements, including the financial outlook for 2012. 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 in Novozymes' core areas.

Contact persons:

Press and media:

René Tronborg (DK), tel.: +45 3077 2274  
Paige Donnelly (USA), tel.: +1 919218 4501

Investor Relations:

Maarit Pokkinen (DK), tel.: +45 3077 8682  
Martin Riise (DK), tel.: +45 3077 0738  
Thomas Bomhoff (USA), tel.: +1 919 649 2565  
(DK), tel.: +45 3077 1226



## Interim report for the first half of 2012

---

### Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have considered and approved the unaudited Interim report for Novozymes A/S for the first half of 2012.

The Interim report has been prepared in accordance with International Financial Reporting Standards (as adopted by the EU) and additional Danish regulations for the presentation of interim reports by listed companies.

In our opinion the accounting policies used are appropriate, the Group's internal controls relevant to preparation and presentation of an interim report are adequate, and the Interim report gives a true and fair view of the Group's assets, liabilities, net profit and financial position at June 30, 2012, and of the results of the Group's operations and cash flow for the first half of 2012.

We further consider that the Management 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, August 16, 2012

#### Executive Management

---

Steen Riisgaard  
*President & CEO*

Benny D. Loft

Per Falholt

Peder Holk Nielsen

Thomas Nagy

Thomas Videbæk

#### Board of Directors

---

Henrik Gürtler  
*Chairman*

Kurt Anker Nielsen  
*Vice-Chairman*

Mathias Uhlén

Søren Jepsen

Lars Bo Køppler

Ulla Morin

Lena Olving

Agnete Raaschou-Nielsen

Jørgen Buhl Rasmussen

## Appendices

Appendix 1	Main items and key figures
	1.1 Key figures
	1.2 Income statement
	1.3 Statement of comprehensive income
	1.4 Segment information
Appendix 2	Distribution of revenue
	2.1 By industry
	2.2 By geography
	2.3 Quarterly sales by industry
	2.4 Quarterly sales by geography
Appendix 3	Statement of cash flows and financial resources
Appendix 4	Balance sheet and Statement of shareholders' equity
	4.1 Balance sheet
	4.2 Statement of shareholders' equity
Appendix 5	Product launches in 2012
Appendix 6	Company announcements for 2012 (excluding management's trading in Novozymes shares and share buyback status)
Appendix 7	Financial calendar

## Interim report for the first half of 2012

### Appendix 1: Main items and key figures

#### 1.1 Key figures

(DKK million)	1H 2012	1H 2011	% change	Q2 2012	Q2 2011	% change
<b>Revenue</b>	<b>5,585</b>	<b>5,229</b>	7%	<b>2,851</b>	<b>2,537</b>	12%
<b>Gross profit</b>	<b>3,182</b>	<b>2,943</b>	8%	<b>1,604</b>	<b>1,450</b>	11%
Gross margin	57.0%	56.3%		56.3%	57.2%	
<b>EBITDA</b>	<b>1,705</b>	<b>1,555</b>	10%	<b>850</b>	<b>749</b>	13%
EBITDA margin	30.5%	29.7%		29.8%	29.5%	
<b>Operating profit / EBIT</b>	<b>1,354</b>	<b>1,213</b>	12%	<b>674</b>	<b>578</b>	17%
EBIT margin	24.2%	23.2%		23.6%	22.8%	
Net financials	(60)	27		(38)	17	
<b>Profit before tax</b>	<b>1,294</b>	<b>1,240</b>	4%	<b>636</b>	<b>595</b>	7%
Tax	291	294	(1)%	143	141	1%
<b>Net profit</b>	<b>1,003</b>	<b>946</b>	6%	<b>493</b>	<b>454</b>	9%
Net profit to shareholders in Novozymes A/S	1,001	946	6%	495	454	9%
<b>Earnings per DKK 2 share</b>	<b>3.18</b>	<b>3.00</b>	6%	<b>1.56</b>	<b>1.44</b>	9%
<b>Earnings per DKK 2 share (diluted)</b>	<b>3.14</b>	<b>2.95</b>	6%	<b>1.55</b>	<b>1.42</b>	9%
<b>Net investments</b>	<b>518</b>	<b>547</b>	(5)%			
<b>Free cash flow before acquisitions</b>	<b>721</b>	<b>1,001</b>	(28)%			
<b>Return on invested capital after tax (ROIC), incl. goodwill</b>	<b>20.4%</b>	<b>22.1%</b>				
<b>Net interest-bearing debt</b>	<b>1,297</b>	<b>1,436</b>	(10)%			
<b>Equity ratio</b>	<b>62.6%</b>	<b>61.6%</b>				
<b>Return on equity</b>	<b>22.7%</b>	<b>23.7%</b>				
<b>Debt-to-equity ratio</b>	<b>14.6%</b>	<b>17.7%</b>				

## Interim report for the first half of 2012

### 1.2 Income statement

(DKK million)	1H 2012	1H 2011	Q2 2012	Q2 2011
Revenue	5,585	5,229	2,851	2,537
Cost of goods sold	2,403	2,286	1,247	1,087
<b>Gross profit</b>	<b>3,182</b>	<b>2,943</b>	<b>1,604</b>	<b>1,450</b>
Sales and distribution costs	705	674	362	350
Research and development costs	767	714	397	358
Administrative costs	403	386	204	193
Other operating income, net	47	44	33	29
<b>Operating profit / EBIT</b>	<b>1,354</b>	<b>1,213</b>	<b>674</b>	<b>578</b>
Net financials	(60)	27	(38)	17
<b>Profit before tax</b>	<b>1,294</b>	<b>1,240</b>	<b>636</b>	<b>595</b>
Tax	291	294	143	141
<b>Net profit</b>	<b>1,003</b>	<b>946</b>	<b>493</b>	<b>454</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	1,001	946	491	454
Minority interests	2	-	2	-
<b>Details of net financials</b>				
Foreign exchange gain/(loss), net	(36)	72	(23)	43
Interest income/(costs)	(18)	(26)	(8)	(15)
Other financial items	(6)	(19)	(7)	(11)
<b>Net financials</b>	<b>(60)</b>	<b>27</b>	<b>(38)</b>	<b>17</b>
<b>Earnings per DKK 2 share</b>	<b>3.18</b>	<b>3.00</b>	<b>1.56</b>	<b>1.44</b>
Average no. of A/B shares outstanding (million)	315.2	315.3	314.7	315.4
<b>Earnings per DKK 2 share (diluted)</b>	<b>3.14</b>	<b>2.95</b>	<b>1.55</b>	<b>1.42</b>
Average no. of A/B shares, diluted (million)	318.9	320.0	318.2	319.1

### 1.3 Statement of comprehensive income

(DKK million)	1H 2012	1H 2011	Q2 2012	Q2 2011
<b>Net profit</b>	<b>1,003</b>	<b>946</b>	<b>493</b>	<b>454</b>
<b>Other comprehensive income</b>				
Currency translation of subsidiaries and minority interests	32	(264)	143	(32)
Tax related to hedges of net investments in foreign subsidiaries	-	(2)	-	(9)
Cash flow hedges	(73)	169	(138)	(6)
- transferred to Financial income/costs	14	(44)	14	(14)
Tax related to cash flow hedges	18	3	36	1
<b>Other comprehensive income</b>	<b>(9)</b>	<b>(138)</b>	<b>55</b>	<b>(60)</b>
<b>Comprehensive income</b>	<b>994</b>	<b>808</b>	<b>548</b>	<b>394</b>
<b>Attributable to</b>				
Shareholders in Novozymes A/S	992	808	546	394
Minority interests	2	-	2	-

## Interim report for the first half of 2012

### 1.4 Segment information

(DKK million)	1H 2012				1H 2011				% change
	Enzyme Business	BioBusiness	Corporate	Total	Enzyme Business	BioBusiness	Corporate	Total	
Revenue	4,962	623		5,585	4,661	568		5,229	7%
Cost of goods sold	2,086	317		2,403	1,907	379		2,286	5%
<b>Gross profit</b>	<b>2,876</b>	<b>306</b>		<b>3,182</b>	<b>2,754</b>	<b>189</b>		<b>2,943</b>	<b>8%</b>
Gross margin	58.0%	49.1%		57.0%	59.1%	33.3%		56.3%	
Sales and distribution costs			705	705			674	674	5%
Research and development costs			767	767			714	714	7%
Administrative costs			403	403			386	386	4%
Other operating income, net			47	47			44	44	7%
<b>Operating profit / EBIT</b>				<b>1,354</b>				<b>1,213</b>	<b>12%</b>
<b>Capital expenditure</b>									
Intangible assets	7	-	8	15	1	2	1	4	
Property, plant and equipment	437	26	40	503	413	111	22	546	
<b>Capital expenditure</b>	<b>444</b>	<b>26</b>	<b>48</b>	<b>518</b>	<b>414</b>	<b>113</b>	<b>23</b>	<b>550</b>	

Novozymes' operating segments reflect the way the activities are organized and controlled. Most of the production facilities are common to Enzyme Business as a whole, which is why the activities are considered to be integrated. Therefore, Enzyme Business cannot be subdivided into further activities. Gross profit is the primary parameter used when management evaluates the performance of the segments.

Cost of goods sold is allocated directly. The functions for Sales and distribution, Research and development, and Administrative are considered as working for both segments, and their costs are therefore allocated to the Corporate function. Revenue between the individual segments is deducted from the revenue of the selling company and amounts to DKK 15 million in 1H 2012 (DKK 8 million in 1H 2011).

### Appendix 2: Distribution of revenue

#### 2.1 By industry

(DKK million)	1H 2012	1H 2011	% change	% currency impact	% change in local currency
<b>Enzyme Business</b>	<b>4,962</b>	<b>4,661</b>	<b>6</b>	<b>3</b>	<b>3</b>
Household Care Enzymes	1,859	1,621	15	2	13
Food & Beverages Enzymes	1,543	1,495	3	4	(1)
Bioenergy Enzymes	884	894	(1)	7	(8)
Feed & Other Technical Enzymes	676	651	4	4	-
<b>BioBusiness</b>	<b>623</b>	<b>568</b>	<b>10</b>	<b>6</b>	<b>4</b>
Microorganisms	546	517	6	6	-
Biopharma	77	51	51	10	41
<b>Sales</b>	<b>5,585</b>	<b>5,229</b>	<b>7</b>	<b>4</b>	<b>3</b>

## Interim report for the first half of 2012

(DKK million)	Q2 2012	Q2 2011	% change	% currency impact	% change in local currency
<b>Enzyme Business</b>	<b>2,514</b>	<b>2,273</b>	<b>11</b>	<b>6</b>	<b>5</b>
Household Care Enzymes	946	791	20	3	17
Food & Beverages Enzymes	769	736	4	5	(1)
Bioenergy Enzymes	452	437	3	10	(7)
Feed & Other Technical Enzymes	347	309	12	5	7
<b>BioBusiness</b>	<b>337</b>	<b>264</b>	<b>28</b>	<b>10</b>	<b>18</b>
Microorganisms	269	240	12	8	4
Biopharma	68	24	183	20	163
<b>Sales</b>	<b>2,851</b>	<b>2,537</b>	<b>12</b>	<b>6</b>	<b>6</b>

### 2.2 By geography

(DKK million)	1H 2012	1H 2011	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	1,968	1,863	6	1	5
North America	2,039	1,945	5	7	(2)
Asia Pacific	1,063	975	9	8	1
Latin America	515	446	15	1	14
<b>Sales</b>	<b>5,585</b>	<b>5,229</b>	<b>7</b>	<b>4</b>	<b>3</b>

### 2.3 Quarterly sales by industry

(DKK million)	2012		2011				% change Q2/Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
<b>Enzyme Business</b>	<b>2,514</b>	<b>2,448</b>	<b>2,407</b>	<b>2,421</b>	<b>2,273</b>	<b>2,388</b>	<b>11</b>
Household Care Enzymes	946	913	833	871	791	830	20
Food & Beverages Enzymes	769	774	768	770	736	759	4
Bioenergy Enzymes	452	432	457	431	437	457	3
Feed & Other Technical Enzymes	347	329	349	349	309	342	12
<b>BioBusiness</b>	<b>337</b>	<b>286</b>	<b>182</b>	<b>271</b>	<b>264</b>	<b>304</b>	<b>28</b>
Microorganisms	269	277	126	124	240	277	12
Biopharma	68	9	56	147	24	27	183
<b>Sales</b>	<b>2,851</b>	<b>2,734</b>	<b>2,589</b>	<b>2,692</b>	<b>2,537</b>	<b>2,692</b>	<b>12</b>

### 2.4 Quarterly sales by geography

(DKK million)	2012		2011				% change Q2/Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Europe, Middle East & Africa	971	997	959	997	921	942	5
North America	1,049	990	824	922	928	1,017	13
Asia Pacific	551	512	487	496	464	511	19
Latin America	280	235	319	277	224	222	25
<b>Sales</b>	<b>2,851</b>	<b>2,734</b>	<b>2,589</b>	<b>2,692</b>	<b>2,537</b>	<b>2,692</b>	<b>12</b>

## Interim report for the first half of 2012

### Appendix 3: Statement of cash flows and financial resources

(DKK million)	1H 2012	1H 2011
<b>Net profit</b>	<b>1,003</b>	<b>946</b>
Reversals of non-cash cost items	780	853
Tax paid	(195)	(122)
Interest received	8	8
Interest paid	(38)	(33)
<b>Cash flow before change in working capital</b>	<b>1,558</b>	<b>1,652</b>
<b>Change in working capital</b>		
(Increase)/decrease in receivables	(174)	63
(Increase)/decrease in inventories	5	(32)
Increase/(decrease) in trade payables and other liabilities	(152)	(135)
Increase/(decrease) in exchange gain/loss	2	-
<b>Cash flow from operating activities</b>	<b>1,239</b>	<b>1,548</b>
<b>Investments</b>		
Purchase of intangible assets	(15)	(4)
Sale of property, plant and equipment	-	3
Purchase of property, plant and equipment	(503)	(546)
<b>Cash flow from investing activities before acquisitions</b>	<b>(518)</b>	<b>(547)</b>
<b>Free cash flow before acquisitions</b>	<b>721</b>	<b>1,001</b>
Acquisitions of activities and companies	-	(1,530)
<b>Free cash flow after acquisitions</b>	<b>721</b>	<b>(529)</b>
<b>Financing activities</b>		
Borrowings	-	558
Repayments of borrowings	(92)	(396)
Sale/purchase of treasury stock, net	(373)	(62)
Dividend paid	(600)	(504)
<b>Cash flow from financing activities</b>	<b>(1,065)</b>	<b>(404)</b>
<b>Net cash flow</b>	<b>(344)</b>	<b>(933)</b>
Unrealized gain/loss on currencies and financial assets, included in cash and cash equivalents	3	(2)
<b>Net change in cash and cash equivalents</b>	<b>(341)</b>	<b>(935)</b>
Cash and cash equivalents at January 1	624	1,324
<b>Cash and cash equivalents at June 30</b>	<b>283</b>	<b>389</b>

Undrawn committed credit facilities are DKK 3,743 million at June 30, 2012.

## Interim report for the first half of 2012

### Appendix 4: Balance sheet and Statement of shareholders' equity

#### 4.1 Balance sheet

Assets (DKK million)	June 30, 2012	June 30, 2011	Dec. 31, 2011
Completed IT development projects	26	28	23
Acquired patents, licenses and know-how	1,237	1,433	1,318
Goodwill	834	816	835
IT development projects in progress	53	16	45
<b>Intangible assets</b>	<b>2,150</b>	<b>2,293</b>	<b>2,221</b>
Land and buildings	2,201	2,051	2,247
Plant and machinery	2,384	1,908	2,403
Other equipment	406	363	408
Property, plant and equipment under construction	1,881	1,616	1,499
<b>Property, plant and equipment</b>	<b>6,872</b>	<b>5,938</b>	<b>6,557</b>
<b>Deferred tax assets</b>	<b>303</b>	<b>77</b>	<b>275</b>
<b>Other financial assets (non-interest-bearing)</b>	<b>7</b>	<b>61</b>	<b>-</b>
<b>Non-current assets</b>	<b>9,332</b>	<b>8,369</b>	<b>9,053</b>
Raw materials and consumables	257	254	268
Goods in progress	346	395	361
Finished goods	1,125	1,063	1,112
<b>Inventories</b>	<b>1,728</b>	<b>1,712</b>	<b>1,741</b>
Trade receivables	2,043	1,713	1,971
Tax receivables	326	284	167
Other receivables	304	243	195
<b>Receivables</b>	<b>2,673</b>	<b>2,240</b>	<b>2,333</b>
<b>Other financial assets (non-interest-bearing)</b>	<b>15</b>	<b>319</b>	<b>48</b>
<b>Cash at bank and in hand</b>	<b>415</b>	<b>536</b>	<b>667</b>
<b>Current assets</b>	<b>4,831</b>	<b>4,807</b>	<b>4,789</b>
<b>Assets</b>	<b>14,163</b>	<b>13,176</b>	<b>13,842</b>



## Interim report for the first half of 2012

Liabilities and shareholders' equity (DKK million)	June 30, 2012	June 30, 2011	Dec. 31, 2011
Common stock	650	650	650
Treasury stock	(2,087)	(1,520)	(1,714)
Other reserves	456	402	465
Retained earnings	9,828	8,573	9,408
Minority interests	17	11	15
<b>Shareholders' equity</b>	<b>8,864</b>	<b>8,116</b>	<b>8,824</b>
Deferred tax liabilities	935	583	905
Provisions	182	234	152
Other financial liabilities (interest-bearing)	976	1,541	1,534
Other financial liabilities (non-interest-bearing)	63	21	70
<b>Non-current liabilities</b>	<b>2,156</b>	<b>2,379</b>	<b>2,661</b>
Other financial liabilities (interest-bearing)	736	431	152
Other financial liabilities (non-interest-bearing)	229	11	106
Provisions	101	74	98
Trade payables	672	652	745
Tax payables	268	253	37
Other payables	1,137	1,260	1,219
<b>Current liabilities</b>	<b>3,143</b>	<b>2,681</b>	<b>2,357</b>
<b>Liabilities</b>	<b>5,299</b>	<b>5,060</b>	<b>5,018</b>
<b>Liabilities and shareholders' equity</b>	<b>14,163</b>	<b>13,176</b>	<b>13,842</b>

### 4.2 Statement of shareholders' equity

(DKK million)	Attributable to shareholders in Novozymes A/S							Total
	Common stock	Treasury stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Minority interests		
Shareholders' equity at January 1, 2012	650	(1,714)	498	(33)	9,408	15	8,824	
Net profit for the period					1,001		1,001	
Other comprehensive income for the period			32	(41)		2	(7)	
Sale/purchase of treasury stock, net		(373)					(373)	
Dividend					(600)		(600)	
Stock-based payment					34		34	
Tax related to equity items					(15)		(15)	
<b>Changes in shareholders' equity</b>	<b>-</b>	<b>(373)</b>	<b>32</b>	<b>(41)</b>	<b>420</b>	<b>2</b>	<b>40</b>	
Shareholders' equity at June 30, 2012	650	(2,087)	530	(74)	9,828	17	8,864	
Shareholders' equity at January 1, 2011	650	(1,479)	391	149	8,113	12	7,836	
Net profit for the period					946		946	
Other comprehensive income for the period			(266)	128		(1)	(139)	
Sale/purchase of treasury stock, net		(62)					(62)	
Dividend					(504)		(504)	
Stock-based payment					45		45	
Tax related to equity items		21			(27)		(6)	
<b>Changes in shareholders' equity</b>	<b>-</b>	<b>(41)</b>	<b>(266)</b>	<b>128</b>	<b>460</b>	<b>(1)</b>	<b>280</b>	
Shareholders' equity at June 30, 2011	650	(1,520)	125	277	8,573	11	8,116	

## Interim report for the first half of 2012

---

### Appendix 5: Product launches in 2012

---

Q1 2012	Cellic <sup>®</sup> CTec3: A state-of-the-art cellulase and hemicellulase complex that allows the most cost-efficient conversion of pretreated lignocellulosic materials to fermentable sugars.
Q1 2012	Sanferm <sup>®</sup> Yield: An improved glucoamylase enzyme that allows distillers to achieve higher alcohol yields and increased fermentation efficiency, with a shorter fermentation time.
Q1 2012	Taegro <sup>®</sup> : Biofungicide for control of soilborne pathogens such as <i>Rhizoctonia</i> and <i>Fusarium</i> on a variety of high-value crops (e.g., tomatoes, strawberries and lettuce).
Q2 2012	Panzea <sup>®</sup> : A xylanase enzyme for conditioning baking dough. Key benefits include superior bread appearance, texture and volume of baked goods, and dry, stable dough.

### Appendix 6: Company announcements for 2012 (excluding management's trading in Novozymes shares and share buyback status)

---

January 19, 2012	Group financial statement for 2011
January 20, 2012	Initiation of share buyback program
March 1, 2012	Annual Shareholders' Meeting 2012
April 25, 2012	Group financial statement for Q1 2012
May 5, 2012	Major shareholder announcement
May 7, 2012	Update on U.S. patent lawsuit against Danisco
May 10, 2012	Major shareholder announcement
July 27, 2012	Major shareholder announcement
August 16, 2012	Interim report for the first half of 2012

### Appendix 7: Financial calendar

---

October 25, 2012	Interim report for 9M 2012
January 21, 2013	Annual report for 2012
February 28, 2013	Annual Shareholders' Meeting 2013