

Interim report for the first 3 months of 2014

April 24, 2014

Strong Q1 performance; full-year profit outlook increased

The first quarter of 2014 was strong from a sales growth, earnings and cash flow perspective. As expected, sales came in strong in the first quarter and, organically, sales increased by 11% compared with Q1 2013 (7% DKK, 10% LCY). EBIT grew by 30%, and the EBIT margin was 30.4%, driven by a one-time positive impact from The BioAg Alliance of net around 4 percentage point and a better than expected development in underlying earnings. As a result, expectations for full-year EBIT growth, EBIT margin, net profit growth, ROIC and free cash flow are increased, despite the unfavorable currency development. Expectations for full-year organic and LCY sales growth are maintained, and expectations for sales growth in DKK are adjusted for currency within previous range.

	Realized		2014 outlook	2014 outlook
	Q1 2014	Q1 2013	April 24*	January 21
Sales, DKKm	3,033	2,845		
Sales growth, DKK	7%	4%	4-6%	4-7%
Sales growth, LCY	10%	5%	6-9%	6-9%
Sales growth, organic	11%	5%	6-9%	6-9%
Gross margin	57.8%	58.2%		
EBIT, DKKm	923	709		
EBIT growth	30%	4%	8-10%	6-9%
EBIT margin	30.4%	24.9%	~26%	25-26%
Net profit, DKKm	694	514		
Net profit growth	35%	1%	8-10%	6-9%
Net investments excl. acquisitions, DKKm	(334)	178	900-1,000	900-1,100
Free cash flow before acquisitions, DKKm	2,230	82	3,300-3,400	3,200-3,300
ROIC (including goodwill)	25.6%	18.6%	21-22%	~21%
Avg. USD/DKK	545	565	541	550
EPS, DKK	2.20	1.64		
EPS (diluted), DKK	2.18	1.62		

* Assumes exchange rates for the company's key currencies remain at the closing rates on April 23 for the rest of 2014. The outlook includes the impact from the agreement with Monsanto on The BioAg Alliance.

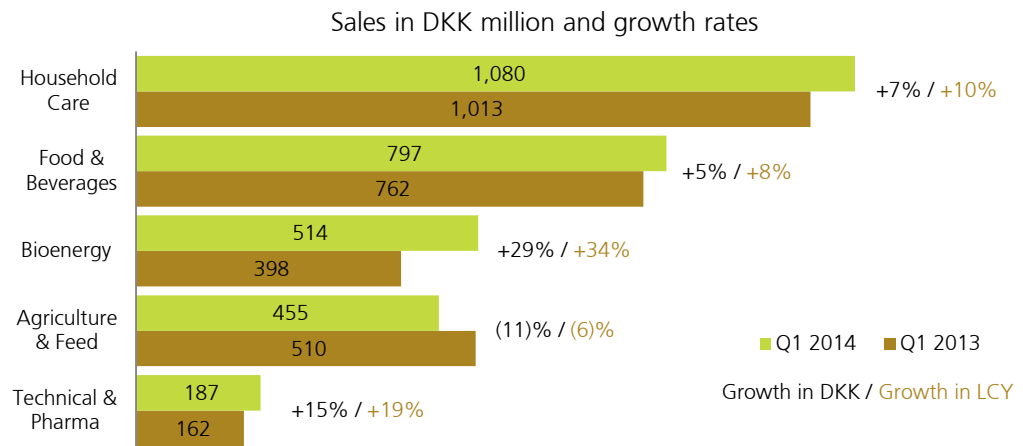
Peder Holk Nielsen, President and CEO of Novozymes, comments:

"We've delivered a strong first quarter, and we're increasing the outlook for full-year EBIT growth. Double-digit organic sales growth, good underlying earnings performance and completion of The BioAg Alliance agreement mark a good start to 2014. We had expected sales to come in strongly in the first quarter, especially in Bioenergy and Household Care, and I'm pleased to see that we continue to add more value for our customers and grow our business in these two important markets. Reported earnings are extraordinarily high due to the impact from The BioAg Alliance agreement. Underlying productivity has improved compared with last year, and this drives our increased expectations for EBIT growth and margin for the full year. Regarding The BioAg Alliance, it feels great to have kicked off one of Novozymes' most significant projects for the years ahead. We're excited to get started and are focusing resources and efforts on ensuring success in BioAg."

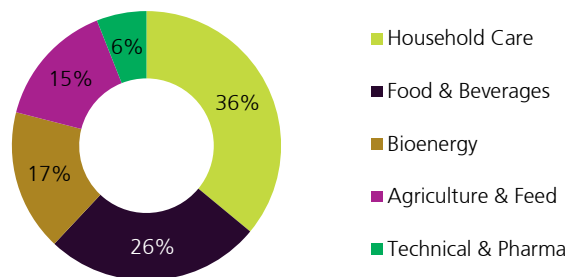
Sales by industry

Total sales:
 DKK: +7%
 LCY: +10%
 Organic: +11%

Total sales in the first quarter of 2014 were DKK 3,033 million, an increase of 7% compared with the first quarter of 2013. Exchange rates had a negative impact on sales, and sales in LCY were up by 10%. Acquisitions and The BioAg Alliance had a net negative impact of approximately 1 percentage point on sales growth and, organically, sales grew by 11%. Sales to the Bioenergy and Household Care industries were the most significant contributors to sales growth.



Distribution of sales



Household Care:
 DKK: +7%
 LCY: +10%

Sales to the Household Care industry increased by 7% in DKK and by 10% in LCY compared with the first quarter of 2013. Sales growth continued to be driven by customers' interest in optimizing detergent formulations to enhance wash performance, enable low-temperature washing and replace chemicals. Emerging markets were a significant contributor to the global sales growth.

Food & Beverages:
 DKK: +5%
 LCY: +8%

Sales to the Food & Beverages industries increased by 5% in DKK and by 8% in LCY compared with the first quarter of 2013. Sales for the production of healthy foods and to the baking industry were the most significant growth contributors. Sales to the baking industry benefited from a stabilization of sales for freshkeeping applications and good growth in other baking categories. Sales to the starch industry contributed only marginally to sales growth, as Chinese production of corn syrups and other corn-derived products was lower compared with the same period last year.

Bioenergy:
 DKK: +29%
 LCY: +34%

Sales to the Bioenergy industry were up by 29% in DKK and by 34% in LCY compared with the first quarter of 2013. The U.S. Energy Information Administration estimates that U.S. ethanol production in the first quarter of 2014 grew by ~11% compared with the same period last year. Bioenergy sales benefited from continued positive developments in Novozymes' yield discovery solutions Avantec®, Spirizyme® Achieve and Olexa®. Penetration of all three solutions continued to increase in the first quarter of 2014.

Agriculture & Feed:
 DKK: (11)%
 LCY: (6)%

Sales to the Agriculture & Feed industries decreased by 11% in DKK and by 6% in LCY compared with the first quarter of 2013. Organically, sales were down by 1%. Sales to the animal feed industry contributed positively to sales growth, whereas sales to the BioAg industry declined slightly compared with the same period last year. Sales to the animal feed industry increased due to a continued positive development for RONOZYME® ProAct. Sales to the BioAg industry were lower due to an expected change in timing of orders between quarters. Disregarding this, underlying sales grew nicely compared with the same period last year.

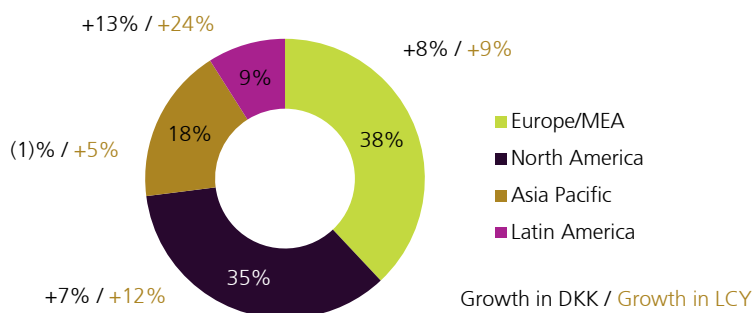
The BioAg Alliance with Monsanto was completed on February 10, 2014, from which date Novozymes' BioAg sales recognition changed to reflect the equal value share with Monsanto. In the first quarter of 2014, Novozymes recognized DKK 62 million of deferred income as revenue. This counterbalances a proportion of the negative impact from lower sales recognition through The BioAg Alliance.

The change in sales recognition had no impact on the organic growth rate for Agriculture & Feed. The organic growth rate for the sales area will continue to reflect the underlying sales performance of the animal feed business and BioAg business.

Technical & Pharma:
 DKK: +15%
 LCY: +19%

Sales to the Technical & Pharma industries increased by 15% in DKK and by 19% in LCY compared with the first quarter of 2013. Organically, sales grew by 18%. Sales of enzyme solutions for the manufacture of pharmaceutical products were the main growth driver for the period.

Sales by geography



Europe/MEA:
 DKK: +8%
 LCY: +9%

Sales in Europe, the Middle East & Africa (Europe/MEA) grew by 8% in DKK and by 9% in LCY compared with the first quarter of 2013. Sales to the Household Care and Food & Beverages industries were the most significant growth drivers, whereas sales to the Agriculture & Feed industries were lower compared with the same period last year.

North America:
 DKK: +7%
 LCY: +12%

Sales in North America increased by 7% in DKK and by 12% in LCY compared with the first quarter of 2013. Sales to the Bioenergy industry were the main growth driver, whereas sales to the Agriculture & Feed industries were slightly lower than in Q1 2013.

Asia Pacific:
 DKK: (1)%
 LCY: +5%

Sales in Asia Pacific were down by 1% in DKK and up by 5% in LCY compared with the first quarter of 2013. Sales to the Household Care and Agriculture & Feed industries were the main contributors to sales growth, whereas sales to the Food & Beverages industries were lower.

Latin America:
 DKK: +13%
 LCY: +24%

Sales in Latin America were up by 13% in DKK and by 24% in LCY compared with the first quarter of 2013. The strong sales growth was driven by sales to the Household Care and Agriculture & Feed industries, whereas sales to the Food & Beverages industries were lower compared with the same period last year.

Costs, Other operating income and EBIT

Total costs: +7%	<p>Total costs excluding net financials and tax were DKK 2,286 million, up 7% on the first quarter of 2013. The increase in total costs was driven by both higher production costs and higher operating costs.</p> <p>Total production costs increased by 8% compared with the same period last year. Production costs increased due to a higher activity level, write-downs and accelerated depreciation and amortization.</p>
Gross profit: +6%	<p>Gross profit increased by 6%, and the gross margin was 57.8%, a decrease of 0.4 percentage point from 58.2% in the same period last year. The gross margin decreased due to the negative impact on gross margin from the new sales recognition in BioAg, currencies, write-downs and accelerated depreciation and amortization. Disregarding these factors, the underlying gross margin developed better than expected and was higher than the same period last year due to continued productivity improvements and favorable product mix changes.</p> <p>Operating costs increased by 6% to DKK 1,007 million. The ratio of operating costs to sales was 33%, on par with the same period last year.</p> <ul style="list-style-type: none"> • Sales and distribution costs were flat, representing 12% of sales • R&D costs increased by 13%, representing 14% of sales • Administrative costs increased by 6%, representing 7% of sales <p>Sales and distribution costs were flat, as higher costs due to the higher activity level were counterbalanced by the transfer of sales and marketing responsibility and costs to Monsanto on completion of The BioAg Alliance agreement. The increase in R&D costs was driven by a higher activity level, write-downs and accelerated depreciation and amortization.</p>
Gross margin: 57.8%	
Other operating income: DKK 176 million	<p>Other operating income was DKK 176 million, up from DKK 1 million in the first quarter of 2013. This increase was primarily driven by the one-time realized gain from the transfer of predominantly intangible assets to Monsanto on completion of The BioAg Alliance agreement, as the transaction value of the assets exceeded the book value.</p> <p>Depreciation and amortization increased to DKK 244 million in the first quarter of 2014, up from DKK 175 million in the same period last year. To ensure the success of The BioAg Alliance, Novozymes has decided to focus some of the existing as well as new resources on BioAg. This has resulted in a minor change in the setup and utilization of certain R&D and production assets, which has resulted in write-downs and accelerated depreciation and amortization totaling DKK 50 million in the first quarter of 2014. This figure is equally split between production costs and R&D costs.</p>
EBIT: +30%	EBIT grew by 30% to DKK 923 million, up from DKK 709 million in the first quarter of 2013, driven primarily by higher other operating income.
EBIT margin: 30.4%	<p>The EBIT margin was 30.4%, an increase of 5.5 percentage points from 24.9% in the first quarter of 2013. The increase in the EBIT margin was primarily due to higher other operating income. The net impact from The BioAg Alliance agreement on EBIT margin in the first quarter was around 4 percentage point. The underlying EBIT margin developed better than expected and increased to slightly above 26% due to continued productivity improvements across the organization, a relatively low increase in total costs and a favorable development in product mix compared with the same period last year.</p>

Net financials and Net profit

Net financial costs: DKK 21 million	Net financial costs were DKK 21 million, down from DKK 48 million in the first quarter of 2013. The decrease was mainly a result of a DKK 3 million gain on net currency hedging/revaluation compared with a loss of DKK 21 million in the same period last year.
	Profit before tax was DKK 902 million, an increase of 36% from the first quarter of 2013.
Effective tax rate: 23.0%	The effective tax rate in the first quarter of 2014 was 23.0% against 22.2% in the first quarter of 2013. The effective tax rate increased due to a lower benefit from the U.S. Advanced Energy Manufacturing tax credit relating to the plant in Nebraska.
Net profit: +35%	Net profit increased by 35% to DKK 694 million in the first quarter of 2014, up from DKK 514 in the same period last year due to the higher EBIT and lower net financial costs.

Cash flow and Balance sheet

Operating cash flow: DKK 1,896 million	Cash flow from operating activities was DKK 1,896 million in the first quarter of 2014, up from DKK 260 million in the same period last year. The higher operating cash flow was mainly a result of The BioAg Alliance agreement. Deferred income of around DKK 1,350 million received through The BioAg Alliance is recognized as a liability and thereby impacts the operating cash flow as a positive change in net working capital.
Net investments excl. acq.: DKK (334) million	Net investments excluding acquisitions totaled DKK (334) million, compared with DKK 178 million in the first quarter of 2013. Net investments were negative as a consequence of the transfer of assets to Monsanto as part of The BioAg Alliance agreement and a relatively low level of CAPEX in the first quarter of 2014.
Free cash flow before acq.: DKK 2,230 million	Free cash flow before acquisitions was DKK 2,230 million, up from DKK 82 million in the first quarter of 2013. The free cash flow was driven by the increase in operating cash flow and the negative net investments – both in turn driven by the completion of The BioAg Alliance and the aggregate upfront payment of USD 300 million received from Monsanto.
	Shareholders' equity decreased by 4% to DKK 10,650 million at March 31, 2014, compared with DKK 11,066 million at year-end 2013. Shareholders' equity mainly decreased due to dividend payments and purchase of treasury stock, which more than offset the positive contribution from comprehensive income.
Equity ratio: 60%	Shareholders' equity represented 60% of the balance sheet total, down from 67% at year-end 2013.
Net interest-bearing debt: DKK (334) million	Net interest-bearing debt was DKK (334) million at March 31, 2014, down from DKK 805 million at December 31, 2013. The BioAg Alliance agreement was the driver of Novozymes momentarily turning net cash positive. Cash flow from operating activities and negative net investments impacted net debt positively, whereas dividend payouts of DKK 787 million and purchase of treasury stock of DKK 313 million had a negative impact on net interest-bearing debt.
	The purchase of treasury stock was part of the DKK 2 billion stock buyback program expected to run for the remainder of 2014, returning the proceeds from The BioAg Alliance agreement to shareholders. Net debt-to-equity was (3)% at March 31, 2014, down from 7% at December 31, 2013.
ROIC: 25.6%	Return on invested capital (ROIC), including goodwill, was 25.6%, up 7 percentage points from 18.6% in the first quarter of 2013. The extraordinary increase in ROIC was a result of higher net profit and lower invested capital. The invested capital decreased as a consequence of the negative net investments, the higher other liabilities driven by the deferred income and write-downs, depreciation and amortization.

Treasury stock: At March 31, 2014, the holding of treasury stock was 5.7 million B shares, equivalent to 1.8% of the common stock. Year-to-date March 31, 2014, Novozymes had repurchased 1,296,400 shares worth approximately DKK 313 million within the expected DKK 2,000 million stock buyback program in 2014.

Sustainability

First-quarter performance was good, with higher water and energy efficiency as well as a lower frequency of occupational accidents compared with the same period last year. In January 2014, Novozymes received a gold ranking in the biotechnology sector in The Sustainability Yearbook 2014 from the sustainability investment group RobecoSAM.

	Q1 2014	Q1 2013	2014 target
Water efficiency (compared with 2005)	33%	32%	34%
Energy efficiency (compared with 2005)	41%	37%	42%
CO ₂ efficiency (compared with 2005)	54%	55%	>50%
Occupational accidents per million working hours	2.0	2.5	<3.0
Number of employees on March 31	6,156	6,112	-
Rate of employee turnover	7.9%	7.8%	4-9%
Rate of absence	2.0%	2.1%	<3%

6,156
employees

Outlook for 2014

	2014 outlook April 24*	2014 outlook January 21
Sales growth, DKK	4-6%	4-7%
Sales growth, LCY	6-9%	6-9%
Sales growth, organic	6-9%	6-9%
EBIT growth	8-10%	6-9%
EBIT margin	~26%	25-26%
Net profit growth	8-10%	6-9%
Net investments excl. acquisitions, DKKm	900-1,000	900-1,100
Free cash flow before acquisitions, DKKm	3,300-3,400	3,200-3,300
ROIC (including goodwill)	21-22%	~21%
Avg. USD/DKK	541	550

* Assumes exchange rates for the company's key currencies remain at the closing rates on April 23 for the rest of 2014. The outlook includes the impact from the agreement with Monsanto on The BioAg Alliance.

Monsanto
impact
included in
2014 outlook

On February 10, 2014, The BioAg Alliance agreement with Monsanto was completed. The financial outlook for 2014 includes the expected financial impact from the agreement, as described in Company announcement No. 1, 2014, and detailed below.

The BioAg Alliance had a significant impact on the reported numbers for the first quarter of 2014. Disregarding this impact, the business delivered a strong first quarter with good sales momentum in a broad range of industries and geographies and a better than expected development in underlying earnings.

The better than expected earnings development in the first quarter has increased the expectations for full-year earnings growth despite the negative impact from an unfavorable currency development. The strong sales performance was expected, and as a consequence the expectations for 2014 sales growth are adjusted only for currency within the previous range.

Sales growth:
Organic: 6-9%
LCY: 6-9%
DKK: 4-6%

On the sales side, Novozymes still expects organic and LCY sales growth of 6-9%. Based on exchange rates at April 23, 2014, sales growth in DKK is now expected to be 4-6%, adjusted within the range of 4-7% at previous guidance, as the top end of the previous range is no longer deemed achievable due to the unfavorable currency development.

Novozymes continues to expect a positive contribution to sales growth from all five sales areas. Of these, Household Care and Bioenergy are still expected to be the most significant growth contributors.

Household Care sales are still expected to be driven by a continued desire by customers to improve wash performance, enable low-temperature washing and replace chemicals. As in 2013, emerging markets are expected to contribute significantly to sales growth.

Food & Beverages sales growth is still expected to be driven by further growth in solutions for the production of healthy foods. The large application areas of baking and starch conversion are also still expected to contribute to growth.

Bioenergy sales are still expected to benefit from increased penetration of Novozymes' yield discovery solutions Avantec®, Spirizyme® Achieve and Olexa®. The 2014 sales outlook is still based on the expectation that U.S. fuel ethanol production in 2014 will be around 13.5 billion gallons, slightly higher than in 2013.

Sales to the Technical & Pharma industries are still expected to grow, primarily due to an expected increase in pharma sales.

The BioAg Alliance

On February 10, 2014, Novozymes' BioAg sales recognition changed to reflect the equal value share with Monsanto. In 2014, the lower sales recognition is expected to be partly counterbalanced by DKK ~200 million in deferred income, adjusted from DKK 150-200 million at previous guidance.

Agriculture & Feed sales in DKK and LCY are still expected to be impacted negatively by up to 7 percentage points net in 2014 (up to 1% of total group sales). The positive contribution to sales growth from TJ Technologies, which was acquired in June 2013, is still expected to offset about half of the up to 7% impact, resulting in a net negative impact from acquisitions and divestments on Agriculture & Feed sales in DKK and LCY of 3-4 percentage points.

In the first quarter of 2014, DKK 62 million of the DKK ~200 million was recognized as sales. The total deferred income after this first quarter is around DKK 1,350 million. The deferred income is still expected to be allocated to sales over a period of 5-10 years starting in 2014 with the majority expected to fall in the first five years.

The net impact on Novozymes' gross margin in 2014 of Novozymes and Monsanto splitting revenue and of the deferred income remains an expected negative impact of around 1 percentage point.

Total sales and distribution costs as a percentage of sales for Novozymes are also still expected to decrease by around 1 percentage point, given the transfer of marketing responsibility to Monsanto. This roughly evens out the negative impact from the lower gross margin.

In the first quarter of 2014, Novozymes realized a one-time gain from the transfer of predominantly intangible assets to Monsanto, as the transaction value of the assets exceeded the book value. The positive contribution to the EBIT margin in 2014, net of transaction costs, transition costs and increased R&D spend in 2014, is still expected at 0.5-1 percentage point, as some costs will materialize later in 2014.

Organically, Agriculture & Feed sales are still expected to show a similar pattern to 2013. BioAg sales, now through The BioAg Alliance, are expected to deliver good underlying growth in the Americas and strong growth in new markets. Feed sales are expected to deliver only modest growth due to the competitive situation in phytase enzymes.

2014 financial outlook

EBIT growth: 8-10%	Expectations for EBIT growth are increased to 8-10%, up from 6-9% at previous guidance. The better than expected development of EBIT in the first quarter and the improved underlying earnings development more than offsets the negative impact from the unfavorable development of a broad basket of American, Latin American and Asian currencies since previous guidance.
EBIT margin: ~26%	The EBIT margin is now expected to be ~26%, up from 25-26% at previous guidance due to the increased expectations for EBIT growth. Expectations for EBIT margin include the one-time positive impact of 0.5-1 percentage point from The BioAg Alliance.
	The effective tax rate is still expected at ~23%.
Net profit growth: 8-10%	Net profit is now expected to grow by 8-10%, up from 6-9% at previous guidance as a result of the increased expectations for EBIT growth.
	Around 75% of expected USD/DKK exposure for 2014 has been hedged at 5.79 DKK/USD. In 2013, the full USD/DKK exposure was hedged at 5.63.

Net investments: Net investments, excluding the transfer of assets to Monsanto in the first quarter, are now expected to be slightly lower at DKK 900-1,000 million, down from DKK 900-1,100 million at previous guidance. Besides maintenance CAPEX, most investments still target operational efficiency improvements. Novozymes also still expects R&D-related CAPEX to support The BioAg Alliance.

FCF before acq.: Expectations for free cash flow before acquisitions are increased by DKK 100 million to DKK 3,300-3,400 million, up from DKK 3,200-3,300 million at previous guidance. Expectations for free cash flow are increased due to the expectations for increased net profit growth and slightly lower net investments. The free cash flow includes the positive impact from The BioAg Alliance agreement, which in 2014 is expected to contribute around DKK 1,350 million, adjusted from DKK 1,350-1,400 million at previous guidance.

ROIC: 21-22% Return on invested capital is now expected at 21-22%, up from ~21% at previous guidance due to the increased expectations for net profit growth. This includes a positive impact from The BioAg Alliance of around 1.5 percentage points.

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on April 23, 2014, for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2013	746	562	262	91
Average exchange rate Q1 2013	746	565	283	91
Average exchange rate Q1 2014	746	545	230	89
Closing rate April 23, 2014	747	540	241	87
Estimated average exchange rate 2014*	747	541	238	87
Change in estimated exchange rate 2014 compared with average exchange rate 2013	0%	-4%	-9%	-4%

* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the closing rate April 23 for the rest of 2014.

Other things being equal, a 5% movement in the USD is expected to have an annual impact on EBIT of DKK 70-90 million.

The following sustainability expectations are included in the outlook for 2014:

- Improve water efficiency by 34% compared with 2005
- Improve energy efficiency by 42% compared with 2005
- Maintain CO₂ efficiency above 50% compared with 2005
- Keep the frequency of occupational accidents below 3.0 per million working hours
- Keep employee turnover between 4% and 9%
- Keep employee absence below 3%
- Ensure 97.5% supplier adherence to our supplier program for commercial, quality and sustainability performance
- Score at least 75 for "satisfaction and motivation" in our employee survey
- Score at least 75 for "opportunities for professional and personal development" in our employee survey
- Ensure that at least 30% of new leaders appointed are women
- Ensure that at least 55% of new leaders appointed are of a nationality other than Danish
- Obtain Medal Class rating from RobecoSAM in the Sustainability Yearbook 2015
- Ensure that biofuels are included as a High Impact Opportunity in the U.N.-led Sustainable Energy for All initiative
- Enable a 56 million ton reduction in CO₂ emissions through our customers' application of our products

New incentive program for all employees

A new three-year incentive program for all employees has been established. All employees employed by Novozymes on April 1, 2014 are eligible for the new stock option program. The Executive Leadership Team and other senior management, who are already included in an existing incentive program, are excluded from this new program. In total, around 6,000 employees will be covered by this new program.

In the new program, employees will be awarded stock options annually in 2014, 2015 and 2016. When the 2016 results are published in 2017, the awarded number of stock options will be granted to employees based on the level of achievement of economic profit, EBIT and sustainability targets for 2014-2016.

The awarded stock options have a vesting period of three years, after which there is an exercise period of five years. The value of the three-year program is approximately DKK 120 million as of April 1, 2014.

Accounting policies

The Interim report for the first 3 months of 2014 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 3 months of 2014 follows the same accounting policies as the annual report for 2013, except for all new, amended or revised accounting standards and interpretations (IFRSs) endorsed by the EU effective for the accounting period beginning on January 1, 2014. These IFRSs have not had any material impact on the Group's interim report.

Forward-looking statements

This company announcement contains forward-looking statements, including the financial outlook for 2014. 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 information

Investor Relations:

Thomas Bomhoff (DK)	+45 3077 1226	tsbm@novozymes.com
Klaus Sindahl (DK)	+45 5363 0134	ksdh@novozymes.com
Martin Riise (USA)	+1 919 649 2565	mrsn@novozymes.com

Press and media:

Rene Tronborg (DK)	+45 3077 2274	retr@novozymes.com
Frederik Bjoerndal (Europe)	+44 (0) 7976 138 265	tfbh@novozymes.com
Paige Donnelly (USA)	+1 919 218 4501	pagd@novozymes.com
Meng Lian (China)	+86 136 9923 1164	mexl@novozymes.com
Henrique Pellini (Brazil)	+55 41 9288 0282	hqp@novozymes.com
Poonam Kapila (India)	+91 991 082 2339	poka@novozymes.com

Statement of the Board of Directors and Executive Leadership Team

The Board of Directors and the Executive Leadership Team have considered and approved the Interim report for Novozymes A/S for the first 3 months of 2014. The interim report has not been audited or reviewed by the company's independent auditor.

The Interim report for the first 3 months of 2014 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly 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 March 31, 2014, and of the results of the Group's operations and cash flow for the first 3 months of 2014.

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, April 24, 2014

Executive Leadership Team

Peder Holk Nielsen
President & CEO

Benny D. Loft

Per Falholt

Andrew Fordyce

Thomas Nagy

Thomas Videbæk

Board of Directors

Henrik Gürtler
Chairman

Agnete Raaschou-Nielsen
Vice Chairman

Mathias Uhlén

Anders Hentze Knudsen

Lars Bo Køppler

Lena Bech Holskov

Lena Olving

Lars Green

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
Appendix 2	Distribution of revenue
	2.1 By industry
	2.2 By geography
Appendix 3	Statement of cash flows
Appendix 4	Balance sheet and Statement of shareholders' equity
	4.1 Balance sheet
	4.2 Statement of shareholders' equity
Appendix 5	Final opening balance, TJ Technologies Inc. & logen Bio-Products
Appendix 6	Product launches in 2014
Appendix 7	Company announcements for the fiscal year 2014 (excluding management's trading in Novozymes shares, major shareholder announcements and share buyback status)
Appendix 8	Financial calendar

Appendix 1: Main items and key figures

1.1 Key figures

(DKK million)	Q1 2014	Q1 2013	% change
Revenue	3,033	2,845	7%
Gross profit	1,754	1,655	6%
Gross margin	57.8%	58.2%	
EBITDA	1,167	884	32%
EBITDA margin	38.5%	31.1%	
Operating profit / EBIT	923	709	30%
EBIT margin	30.4%	24.9%	
Net financials	(21)	(48)	
Profit before tax	902	661	36%
Tax	208	147	41%
Net profit	694	514	35%
Earnings per DKK 2 share	2.20	1.64	34%
Earnings per DKK 2 share (diluted)	2.18	1.62	34%
Net investments	(334)	178	
Free cash flow before acquisitions	2,230	82	
Return on invested capital after tax, ROIC, incl. goodwill	25.6%	18.6%	
Net interest-bearing debt	(334)	2,283	
Equity ratio	60.2%	59.7%	
Return on equity	25.6%	21.4%	
Debt-to-equity ratio	-3.1%	23.7%	

1.2 Income statement

(DKK million)	Q1 2014	Q1 2013
Revenue	3,033	2,845
Cost of goods sold	1,279	1,190
Gross profit	1,754	1,655
Sales and distribution costs	379	380
Research and development costs	421	372
Administrative costs	207	195
Other operating income, net	176	1
Operating profit / EBIT	923	709
Net financials	(21)	(48)
Profit before tax	902	661
Tax	208	147
Net profit	694	514
Attributable to		
Shareholders in Novozymes A/S	693	514
Non-controlling interests	1	-
Details of net financials		
Foreign exchange gain/(loss), net	3	(21)
Interest income/(costs)	(13)	(6)
Other financial items	(11)	(21)
Net financials	(21)	(48)
Earnings per DKK 2 share	2.20	1.64
Average no. of A/B shares outstanding (million)	314.7	313.0
Earnings per DKK 2 share (diluted)	2.18	1.62
Average no. of A/B shares, diluted (million)	318.0	317.0

1.3 Statement of comprehensive income

(DKK million)	Q1 2014	Q1 2013
Net profit	694	514
Currency translation of subsidiaries and non-controlling interests	(88)	122
Tax on currency translation adjustments	2	-
Currency translation adjustments	(86)	122
Fair value adjustment of cash flow hedges	(4)	(28)
Fair value adjustment reclassified to Financial income/costs	(16)	8
Tax on value adjustments of hedging instruments	5	5
Cash flow hedges	(15)	(15)
Other comprehensive income	(101)	107
Comprehensive income	593	621
Attributable to		
Shareholders in Novozymes A/S	592	621
Non-controlling interests	1	-

Appendix 2: Distribution of revenue

2.1 By industry

(DKK million)	Q1 2014	Q1 2013	% change	% currency impact	% change in local currency
Household Care	1,080	1,013	7	(3)	10
Food & Beverages	797	762	5	(3)	8
Bioenergy	514	398	29	(5)	34
Agriculture & Feed	455	510	(11)	(5)	(6)
Technical & Pharma	187	162	15	(4)	19
Sales	3,033	2,845	7	(3)	10

(DKK million)	2014		2013			% change Q1/Q1
	Q1	Q4	Q3	Q2	Q1	
Household Care	1,080	1,066	1,078	1,065	1,013	7
Food & Beverages	797	796	823	809	762	5
Bioenergy	514	540	496	475	398	29
Agriculture & Feed	455	382	337	439	510	(11)
Technical & Pharma	187	156	202	237	162	15
Sales	3,033	2,940	2,936	3,025	2,845	7

2.2 By geography

(DKK million)	Q1 2014	Q1 2013	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	1,158	1,067	8	(1)	9
North America	1,045	977	7	(5)	12
Asia Pacific	544	547	(1)	(6)	5
Latin America	286	254	13	(11)	24
Sales	3,033	2,845	7	(3)	10

(DKK million)	2014		2013			% change Q1/Q1
	Q1	Q4	Q3	Q2	Q1	
Europe, Middle East & Africa	1,158	1,112	1,100	1,100	1,067	8
North America	1,045	930	905	1,051	977	7
Asia Pacific	544	542	569	576	547	(1)
Latin America	286	356	362	298	254	13
Sales	3,033	2,940	2,936	3,025	2,845	7

Appendix 3: Statement of cash flows

(DKK million)	Q1 2014	Q1 2013
Net profit	694	514
Reversals of non-cash cost items	(170)	421
Tax paid	(161)	(198)
Interest received	1	1
Interest paid	(14)	(19)
Cash flow before change in working capital	350	719
Change in working capital		
(Increase)/decrease in receivables	90	(336)
(Increase)/decrease in inventories	(4)	(95)
Increase/(decrease) in trade payables and other liabilities	1,456	(30)
Increase/(decrease) in exchange gain/loss	4	2
Cash flow from operating activities	1,896	260
Investments		
Purchase of intangible assets	-	(5)
Sale of intangible assets	409	-
Sale of property, plant and equipment	10	-
Purchase of property, plant and equipment	(85)	(173)
Cash flow from investing activities before acquisitions and purchase of financial assets	334	(178)
Free cash flow before acquisitions	2,230	82
Business acquisitions and purchase of financial assets	(5)	(374)
Free cash flow after acquisitions	2,225	(292)
Financing activities		
Borrowings	-	250
Repayments of borrowings	-	(1)
Purchase of treasury stock	(313)	-
Sale of treasury stock	30	125
Dividend paid	(787)	(690)
Cash flow from financing activities	(1,070)	(316)
Net cash flow	1,155	(608)
Unrealized gain/loss on currencies and financial assets, included in cash and cash equivalents	(4)	5
Net change in cash and cash equivalents	1,151	(603)
Cash and cash equivalents at January 1	942	330
Cash and cash equivalents at March 31	2,093	(273)

Undrawn committed credit facilities were DKK 4,119 million at March 31, 2014.

Appendix 4: Balance sheet and Statement of shareholders' equity

4.1 Balance sheet

Assets (DKK million)	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
Completed IT development projects	82	37	86
Acquired patents, licenses and know-how	1,925	2,027	1,754
Goodwill	1,044	884	1,022
IT development projects in progress	0	67	2
Intangible assets	3,051	3,015	2,864
Land and buildings	2,441	2,631	2,480
Plant and machinery	3,538	3,390	3,578
Other equipment	497	480	527
Property, plant and equipment under construction	479	798	550
Property, plant and equipment	6,955	7,299	7,135
Deferred tax assets	491	231	456
Other financial assets (non-interest-bearing)	18	0	14
Investment in associate	43	48	45
Other receivables	157	193	162
Non-current assets	10,715	10,786	10,676
Raw materials and consumables	288	286	276
Goods in progress	464	427	467
Finished goods	1,144	1,257	1,159
Inventories	1,896	1,970	1,902
Trade receivables	2,315	2,434	2,242
Tax receivables	259	242	151
Other receivables	273	290	301
Receivables	2,847	2,966	2,694
Other financial assets (non-interest-bearing)	70	22	87
Cash at bank and in hand	2,153	420	1,003
Assets held for sale	0	0	144
Current assets	6,966	5,378	5,830
Assets	17,681	16,164	16,506

Liabilities and shareholders' equity (DKK million)	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
Common stock	639	650	639
Other reserves	68	539	290
Retained earnings	9,930	8,449	10,125
Equity attributable to shareholders in Novozymes A/S	10,637	9,638	11,054
Non-controlling interests	13	13	12
Shareholders' equity	10,650	9,651	11,066
Deferred tax liabilities	977	1,054	956
Provisions	148	224	151
Other non-current liabilities	1,160	-	-
Other financial liabilities (interest-bearing)	1,342	1,719	1,716
Other financial liabilities (non-interest-bearing)	17	24	18
Non-current liabilities	3,644	3,021	2,841
Other financial liabilities (interest-bearing)	477	984	92
Other financial liabilities (non-interest-bearing)	21	162	13
Provisions	130	104	128
Trade payables	777	932	976
Tax payables	454	104	356
Other payables	1,528	1,206	1,034
Current liabilities	3,387	3,492	2,599
Liabilities	7,031	6,513	5,440
Liabilities and shareholders' equity	17,681	16,164	16,506

4.2 Statement of shareholders' equity

(DKK million)	Attributable to shareholders in Novozymes A/S					Non-controlling interests	Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total		
Shareholders' equity at January 1, 2014	639	74	95	10,246	11,054	12	11,066
Net profit for the period				693	693	1	694
Other comprehensive income for the period		(86)	(15)		(101)		(101)
Total comprehensive income for the period	-	(86)	(15)	693	592	1	593
Purchase of treasury stock				(313)	(313)		(313)
Sale of treasury stock				30	30		30
Dividend				(787)	(787)	-	(787)
Stock-based payment				24	24		24
Tax related to equity items				37	37		37
Changes in shareholders' equity	-	(86)	(15)	(316)	(417)	1	(416)
Shareholders' equity at March 31, 2014	639	(12)	80	9,930	10,637	13	10,650
Shareholders' equity at January 1, 2013	650	428	4	8,473	9,555	13	9,568
Net profit for the period				2,200	2,200	1	2,201
Other comprehensive income for the period		(354)	91		(263)		(263)
Total comprehensive income for the period	-	(354)	91	2,200	1,937	1	1,938
Sale of treasury stock				167	167		167
Write-down of common stock	(11)			11	-		-
Dividend				(690)	(690)	(2)	(692)
Stock-based payment				55	55		55
Tax related to equity items				30	30		30
Changes in shareholders' equity	(11)	(354)	91	1,773	1,499	(1)	1,498
Shareholders' equity at Dec. 31, 2013	639	74	95	10,246	11,054	12	11,066

Appendix 5: Final opening balance, TJ Technologies Inc. & logen Bio-Products

(DKK million)	TJ Technologies Inc.	logen Bio-Products
The assumed fair value of acquired assets and liabilities is as follows:		
Intangible assets	226	196
Property, plant and equipment	8	33
Inventories	23	28
Trade and other receivables	3	13
Deferred tax asset	-	35
Cash and cash equivalents	27	-
Provisions	(7)	(12)
Financial and other liabilities	(98)	(8)
Acquired net assets	182	285
The purchase price is as follows:		
Cash	237	374
Contingent consideration	11	62
Total purchase price	248	436
Goodwill	66	151
Cash flow for acquisition:		
Cash payment	237	374
Less cash and cash equivalents in acquired business	(27)	-
Cash flow for acquisition	210	374

TJ Technologies Inc.

On June 28, 2013, Novozymes acquired 100% of the voting shares in TJ Technologies Inc. TJ Technologies Inc. provides North American farmers with biological solutions that enhance plant growth, increase stress tolerance and improve yields. Combining Novozymes' existing BioAg business with TJ Technologies' strong and proven portfolio, brands and regional market coverage will strengthen Novozymes' commercial position in important crop markets.

Goodwill of DKK 66 million is attributable to expected synergies in the existing BioAg business. The goodwill is not tax-deductible. The purchase agreement included a contingent consideration of up to DKK 34 million. The consideration was contingent on achievement of a number of specific registrations and sales targets, and was recognized at the anticipated fair value at the acquisition date.

The valuation of acquired net assets was finalized as per March 31, 2014. The final valuations have led to only insignificant adjustments to previously reported numbers.

logen Bio-Products

On February 22, 2013, Novozymes acquired control of logen Bio-Products, an industrial enzyme business of Ottawa-based logen Corporation, through an asset deal. logen Bio-Products produces and sells enzymes for the pulp & paper, textile, grain-processing and animal feed industries, and the acquisition provides Novozymes with all commercial rights to logen Bio-Products' existing product portfolio, pipeline, facilities and know-how, complementing the current enzymes business.

Goodwill of DKK 151 million is attributable to acquired customer relations, the distribution network and expected synergies with the existing enzymes business. Goodwill of DKK 143 million is expected to be tax-deductible. The purchase agreement included a contingent consideration of up to DKK 69 million. The consideration was contingent on achievement of specified technology and market targets in 2013 and 2014.

The valuation of the acquired net assets was finalized as per March 31, 2014. The final valuation has led to recognition of goodwill of DKK 151 million (DKK 60 million previously reported), intangible assets of DKK 196 million (DKK 308 million previously reported) and a deferred tax asset of DKK 35 million (DKK 0 million previously reported).

Appendix 6: Product launches in 2014

Q1 2014	Novozymes LpHera [®] is a unique alpha-amylase for starch liquefaction that lowers liquefaction pH, reducing the need for pH-adjusting chemicals while improving crystallization and fermentation yields.
Q1 2014	RONOZYME [®] MultiGrain (GT) is a xylanase and beta-glucanase enzyme solution for the animal feed market that offers superior formulation flexibility when using highly variable raw materials.

Appendix 7: Company announcements for the fiscal year 2014 (excluding management's trading in Novozymes' stock, major shareholder announcements and stock buyback status)

January 21, 2014	Group financial statement for 2013
February 10, 2014	Novozymes and Monsanto complete closing of The BioAg Alliance
February 10, 2014	Initiation of stock buyback program
February 26, 2014	Novozymes A/S Annual Shareholders' Meeting 2014
April 24, 2014	Interim report for the first 3 months of 2014

Appendix 8: Financial calendar

August 14, 2014	Interim report for the first half of 2014
October 23, 2014	Interim report for the first 9 months of 2014
January 20, 2015	Group financial statement for 2014
February 25, 2015	Annual Shareholders' Meeting 2015