

Interim report for the first half of 2014

August 14, 2014

First-half performance in line with expectations; full-year profit outlook increased

Sales growth in the first half was in line with expectations, within the range for full-year outlook. Organically, sales grew by 8% (4% DKK, 8% LCY). Sales growth slowed down during the period as expected after a strong first quarter and due to a higher comparable level in the second quarter.

EBIT grew by 19%, and the EBIT margin increased by 3.5 percentage points to 28.1%. The higher EBIT margin was driven by a one-time positive impact of roughly 2 percentage points from The BioAg Alliance and a significant improvement in underlying earnings. Free cash flow came in strongly at DKK 3,417 million due to the positive one-time impact from The BioAg Alliance and a relatively low level of CAPEX in the period.

The full-year sales growth outlook is maintained. Full-year expectations for EBIT and net profit growth are increased to 9-11%, up from 8-10%. Expectations for ROIC, including goodwill, are adjusted to ~22%, up from 21-22%. Lastly, expectations for free cash flow are revised upward by DKK 500 million, mainly as a result of lower expectations for net investments and a higher positive impact from The BioAg Alliance.

	Realized		2014 outlook	2014 outlook
	1H 2014	1H 2013	August 14*	April 24
Sales, DKKm	6,094	5,870		
Sales growth, DKK	4%	5%	4-6%	4-6%
Sales growth, LCY	8%	6%	6-9%	6-9%
Sales growth, organic	8%	6%	6-9%	6-9%
Gross margin	57.8%	57.7%		
EBIT, DKKm	1,710	1,443		
EBIT growth	19%	7%	9-11%	8-10%
EBIT margin	28.1%	24.6%	~26%	~26%
Net profit, DKKm	1,285	1,070		
Net profit growth	20%	7%	9-11%	8-10%
Net investments excl. acquisitions and The BioAg Alliance impact, DKKm	206	352	700-800	900-1,000
Free cash flow before acquisitions, DKKm	3,417	660	3,800-3,900	3,300-3,400
ROIC (including goodwill)	24.6%	19.3%	~22%	21-22%
Avg. USD/DKK	544	568	551	541
EPS, DKK	4.09	3.41		
EPS (diluted), DKK	4.05	3.37		

* Assumes exchange rates for the company's key currencies remain at the closing rates on August 13 for the rest of 2014. The outlook includes the impact from the agreement with Monsanto on The BioAg Alliance.

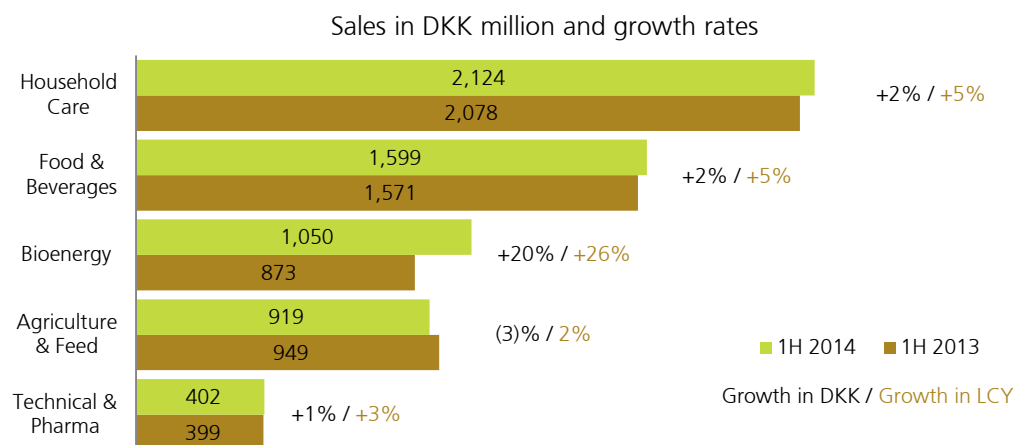
Peder Holk Nielsen, President and CEO of Novozymes, comments:

"It's been a good first half for Novozymes. Sales growth was in line with expectations and earnings were strong. For the full year, we maintain our outlook for sales growth, and profit is now expected to come in a little better than what we thought back in April. Looking beyond the financial performance, we've seen good progress in our innovation pipeline and portfolio of growth platforms in the first half of the year. In the second half, we'll continue to concentrate our efforts on advancing both to further strengthen our ability to deliver double-digit sales growth."

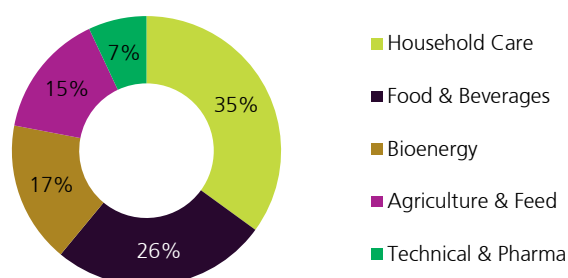
Sales by industry

Total sales:
DKK: +4%
LCY: +8%
Organic: +8%

Total sales in the first half of 2014 were DKK 6,094 million, an increase of 4% compared with the first half of 2013. Exchange rates had a negative impact on sales, and sales in LCY were up by 8%. Acquisitions and The BioAg Alliance had a minor impact on sales growth and, organically, sales grew by 8%. Sales to the Bioenergy industry were the most significant contributor to sales growth.



Distribution of sales



Household Care:
DKK: +2%
LCY: +5%

Sales to the Household Care industry increased by 2% in DKK and by 5% in LCY compared with the first half of 2013. Growth was driven by increased enzyme penetration across detergent tiers to enhance wash performance, enable low-temperature washing and replace traditional chemicals in detergent formulations.

Sales in emerging markets were a significant contributor to the global sales growth despite weakness in China. Sales in developed markets also contributed positively to sales growth, but were hampered by a competitive detergent market with shifts in market shares between top- and mid-tier detergents. New innovation is expected to support growth in the second half of the year.

Food & Beverages:
DKK: +2%
LCY: +5%

Sales to the Food & Beverages industries increased by 2% in DKK and by 5% in LCY compared with the first half of 2013. Sales for the production of healthy foods and to the baking industry were the most significant growth contributors. Despite relatively flat sales for freshkeeping applications, sales to the baking industry grew as a result of good growth in other application areas. Sales to the starch industry were flat for the period, as the important Chinese starch market remained challenging.

Bioenergy:
DKK: +20%
LCY: +26%

Sales to the Bioenergy industry were up by 20% in DKK and by 26% in LCY compared with the first half of 2013. The U.S. Energy Information Administration estimates that U.S. ethanol production in the first half of 2014 grew by ~9% 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 half of 2014, albeit at a more modest level toward the latter part of the period. About one-third of U.S. ethanol is now produced with one or more of these novel solutions.

Agriculture & Feed:
 DKK: (3)%
 LCY: +2%

Sales to the Agriculture & Feed industries decreased by 3% in DKK and were up by 2% in LCY compared with the first half of 2013. Organically, sales grew by 4%. Sales to the animal feed industry developed well and contributed positively to sales growth. Sales to the animal feed industry increased as a result of good performance across product categories, especially in the Americas.

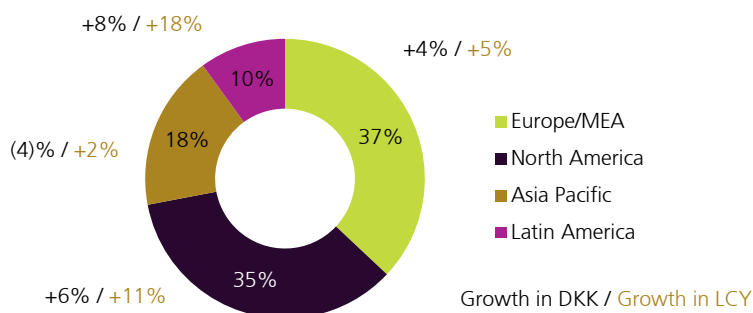
Sales to the BioAg industry were slightly lower organically compared with the same period last year, due to an expected shift in timing of sales with one specific customer from the first half of 2013 to the second half of 2014.

In the first half of 2014, following the change in revenue recognition in BioAg, Novozymes recognized a total of DKK 144 million of deferred income as revenue (DKK 62 million in Q1 and DKK 82 million in Q2).

Technical & Pharma:
 DKK: +1%
 LCY: +3%

Sales to the Technical & Pharma industries increased by 1% in DKK and by 3% in LCY compared with the first half of 2013. Sales of enzyme solutions for the manufacture of pharmaceutical ingredients were the main driver of sales growth, while sales to the textile and leather industries were flat.

Sales by geography



Europe/MEA:
 DKK: +4%
 LCY: +5%

Sales in Europe, the Middle East & Africa (Europe/MEA) grew by 4% in DKK and by 5% in LCY compared with the first half of 2013. Sales to the Household Care and Food & Beverages industries were the most significant growth drivers. Sales to the Agriculture & Feed industries were lower compared with the same period last year due to timing of BioAg sales.

North America:
 DKK: +6%
 LCY: +11%

Sales in North America increased by 6% in DKK and by 11% in LCY compared with the first half of 2013. Sales to the Bioenergy and Agriculture & Feed industries were the main growth drivers, whereas sales to the Food & Beverages industries were slightly lower than in 1H 2013.

Asia Pacific:
 DKK: (4)%
 LCY: +2%

Sales in Asia Pacific were down by 4% in DKK and up by 2% in LCY compared with the first half of 2013. Sales to the Household Care and Bioenergy industries were the main contributors to sales growth, whereas sales to the Technical & Pharma industries were lower. Broadly speaking, China was a challenging market in the first half, among other things due to the continued tough market environment for starch conversion.

Latin America:
 DKK: +8%
 LCY: +18%

Sales in Latin America were up by 8% in DKK and by 18% in LCY compared with the first half of 2013. All industries contributed to the strong sales growth. Household Care was the most significant growth contributor.

Costs, Other operating income and EBIT

Total costs: +4%	<p>Total costs excluding net financials and tax were DKK 4,592 million, up 4% compared with the first six months of 2013. The increase in total costs was driven equally by higher production costs and higher operating costs.</p> <p>Total production costs increased by 3% compared with the same period last year. Production costs increased mainly due to a higher activity level throughout the period, and the write-downs and accelerated depreciation and amortization realized in the first quarter of 2014.</p>
Gross profit: +4%	<p>Gross profit increased by 4%, and the gross margin was 57.8%, an increase of 0.1 percentage point from 57.7% in the same period last year.</p>
Gross margin: 57.8%	<p>The gross margin edged higher due to continued productivity improvements and favorable product mix changes, which more than offset the negative impact from the new sales recognition in BioAg, currencies, and the write-downs and accelerated depreciation and amortization realized in the first quarter of 2014.</p> <p>Operating costs increased by 4% to DKK 2,023 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 decreased by 2%, representing 12% of sales • R&D costs increased by 11%, representing 14% of sales • Administrative costs increased by 2%, representing 7% of sales <p>Sales and distribution costs decreased as sales and marketing responsibility and costs were transferred to Monsanto on completion of The BioAg Alliance agreement. The positive impact from this BioAg transfer of sales and marketing costs to Monsanto more than offset higher costs from the higher activity level.</p> <p>The increase in R&D costs was driven primarily by the higher activity level coupled with the write-downs and accelerated depreciation and amortization realized in the first quarter of 2014.</p>
Other operating income: DKK 208 million	<p>Other operating income was DKK 208 million, up from DKK 3 million in the first half 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 in the first quarter of 2014. All of the other operating income realized in the second quarter of 2014 was unrelated to The BioAg Alliance.</p> <p>Depreciation and amortization increased to DKK 468 million in the first half of 2014, up from DKK 367 million in the same period last year. The increase was driven equally by the write-downs and accelerated depreciation and amortization of DKK 50 million realized in the first quarter of 2014 and a higher level of depreciation and amortization.</p>
EBIT: +19%	<p>EBIT grew by 19% to DKK 1,710 million, up from DKK 1,443 million in the first half of 2013, driven primarily by The BioAg Alliance agreement, continued productivity improvements and favorable product mix changes.</p>
EBIT margin: 28.1%	<p>The EBIT margin was 28.1%, an increase of 3.5 percentage points from 24.6% in the first half of 2013. The net positive impact from The BioAg Alliance agreement on EBIT margin in the first half was roughly 2 percentage points.</p> <p>The underlying EBIT margin increased by around 1.5 percentage points to around 26%. Continued productivity improvements across the organization, a favorable development in product mix and higher other operating income drove the EBIT margin higher despite an unfavorable development in currency exchange rates compared with the same period last year.</p>

Net financials and Net profit

Net financial costs: DKK 41 million	Net financial costs were DKK 41 million, down from DKK 102 million in the first half of 2013. The decrease was mainly a result of a DKK 29 million gain on net currency hedging/revaluation compared with a loss of DKK 45 million in the same period last year.
	Profit before tax was DKK 1,669 million, an increase of 24% from the first half of 2013.
Effective tax rate: 23.0%	The effective tax rate in the first half of 2014 was 23.0% against 20.2% in the first half 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 and the absence of the deferred tax effect realized in 2013 following the enactment of new lower corporate tax rates in Denmark.
Net profit: +20%	Net profit increased by 20% to DKK 1,285 million in the first half of 2014, up from DKK 1,070 million 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 3,204 million	Cash flow from operating activities was DKK 3,204 million in the first half of 2014, up from DKK 1,012 million in the same period last year. The higher operating cash flow was mainly a result of The BioAg Alliance agreement coupled with a favorable development in net working capital and higher net profit. Deferred income of DKK 1,261 million received through The BioAg Alliance is recognized as a liability and impacts the operating cash flow as a positive change in net working capital.
Net investments excl. acq.: DKK (213) million	Net investments excluding acquisitions were negative at DKK 213 million, compared with net investments of DKK 352 million in the first half of 2013. Net investments were negative as the transfer of assets to Monsanto as part of The BioAg Alliance agreement more than offset a relatively low level of CAPEX in the first half of 2014. Excluding the impact from The BioAg Alliance asset transfer to Monsanto, net investments were DKK 206 million in the period.
Free cash flow before acq.: DKK 3,417 million	Free cash flow before acquisitions was DKK 3,417 million, up from DKK 660 million in the first half of 2013. The free cash flow was positively affected by the increase in operating cash flow and the negative net investments – both driven by the completion of The BioAg Alliance.
	Shareholders' equity decreased by 2% to DKK 10,833 million at June 30, 2014, compared with DKK 11,066 million at year-end 2013. Shareholders' equity decreased due to dividend payments and purchase of treasury stock, which more than offset the positive contribution from comprehensive income.
Equity ratio: 59%	Shareholders' equity represented 59% of the balance sheet total, down from 67% at year-end 2013.
Net interest-bearing debt: DKK (961) million	Novozymes is free of debt on a net basis, with a positive net interest-bearing debt balance of DKK 961 million at June 30, 2014, compared with negative net interest-bearing debt of DKK 805 million at December 31, 2013. The BioAg Alliance agreement was the main driver in Novozymes becoming net cash positive. Cash flow from operating activities and negative net investments impacted net debt positively, whereas dividend payouts of DKK 788 million and net purchase of treasury stock of DKK 805 million had a negative impact on net interest-bearing debt.
	Net debt-to-equity was (9)% at June 30, 2014, down from 7% at December 31, 2013.
ROIC: 24.6%	Return on invested capital (ROIC), including goodwill, was 24.6%, up 5.3 percentage points from 19.3% in the first half of 2013. The extraordinary increase in ROIC was a

result of higher net profit and lower average invested capital. The invested capital decreased as a result of negative net investments, depreciation and amortization, and lower net working capital driven by the deferred income from The BioAg Alliance agreement.

Treasury stock: 2.4% At June 30, 2014, the holding of treasury stock was 7.5 million B shares, equivalent to 2.4% of the common stock. Year-to-date June 30, 2014, Novozymes had repurchased 3.4 million shares worth approximately DKK 859 million within the expected DKK 2,000 million stock buyback program in 2014.

Sustainability

All resource efficiency measurements improved in the first half of 2014 and targets for the full year 2014 are on track to be met. On the social side, the organization realized a drop in the rate of both occupational accidents and absence, and is on track to reach the 2014 targets here too.

	1H 2014	1H 2013	2014 target	
Improved sustainability performance	Water efficiency (compared with 2005)	34%	31%	34%
	Energy efficiency (compared with 2005)	42%	36%	42%
	CO ₂ efficiency (compared with 2005)	55%	53%	>50%
	Occupational accidents per million working hours	1.4	1.9	<3.0
	Number of employees on June 30	6,205	6,149	-
	Rate of employee turnover	8.4%	7.6%	4-9%
	Rate of absence	1.8%	1.9%	<3%

Outlook for 2014

	2014 outlook August 14*	2014 outlook April 24	2014 outlook January 21
Sales growth, DKK	4-6%	4-6%	4-7%
Sales growth, LCY	6-9%	6-9%	6-9%
Sales growth, organic	6-9%	6-9%	6-9%
EBIT growth	9-11%	8-10%	6-9%
EBIT margin	~26%	~26%	25-26%
Net profit growth	9-11%	8-10%	6-9%
Net investments excl. acquisitions and The BioAg Alliance impact, DKKm	700-800	900-1,000	900-1,100
Free cash flow before acquisitions, DKKm	3,800-3,900	3,300-3,400	3,200-3,300
ROIC (including goodwill)	~22%	21-22%	~21%
Avg. USD/DKK	551	541	550

* Assumes exchange rates for the company's key currencies remain at the closing rates on August 13 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.

Disregarding the impact from The BioAg Alliance, the business delivered a good first half. Sales growth was in line with expectations, within the range for full-year outlook, and underlying earnings developed strongly.

Sales growth: Organic: 6-9%
LCY: 6-9%
DKK: 4-6% Sales growth decreased throughout the period as expected, partly due to a strong first quarter of 2014 and a higher comparable level in the second quarter. Sales developed in line with expectations in the first half of 2014, and the full-year organic sales growth outlook is maintained at 6-9% (LCY 6-9%). Based on exchange rates at August 13, 2014, full-year sales growth in DKK is also still expected to be 4-6%.

Novozymes continues to expect a positive contribution to sales growth from all five sales areas. Of these, Bioenergy is expected to be the most significant growth contributor.

Household Care sales are expected to be driven by a continued desire by customers to improve wash performance, enable low-temperature washing and replace chemicals. Emerging markets are expected to contribute significantly to sales growth. Developed markets are also expected to contribute positively to sales growth, albeit at a lower level than previously expected. New innovation is expected to support growth in the second half of the year, and Household Care organic sales growth for the full year is expected on level with that of the first half of 2014.

Food & Beverages sales growth is expected to be driven by further growth in solutions for the production of healthy foods. Sales to the baking industry are also expected to contribute to growth, whereas sales for starch conversion are now expected to be roughly flat given the continued difficult conditions on the Chinese starch market.

Bioenergy sales are expected to benefit from increased penetration of Novozymes' yield discovery solutions Avantec[®], Spirizyme[®] Achieve and Olexa[®]. The 2014 sales outlook is now based on the expectation that U.S. fuel ethanol production in 2014 will be just above 14 billion gallons, up from the previously expected ~13.5 billion gallons.

Technical & Pharma sales 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 still expected to be partly counterbalanced by DKK ~200 million in deferred income, of which DKK 144 million was recognized as sales in the first half of 2014.

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 above 7 percentage points, resulting in a net negative impact from acquisitions and divestments on Agriculture & Feed sales in DKK and LCY of 3-4 percentage points.

Organically, BioAg sales are expected to deliver good underlying growth across regions, albeit at a slightly lower level in North America than previously expected following the weaker growth in offtake due to the late planting season. Feed sales have developed well in the first half of the year and are expected to continue to develop well for the remainder of the year, despite the continued tough competitive situation within phytase enzymes.

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 operational costs materialize throughout 2014.

2014 financial outlook

EBIT growth: 9-11% Expectations for EBIT growth are increased to 9-11%, up from 8-10% at previous guidance, following the good development of productivity improvements throughout the company and a favorable development in both product mix and currency exchange rates since previous guidance.

EBIT margin: ~26% The EBIT margin is still expected to be ~26%. 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: 9-11% Net profit is now expected to grow by 9-11% due to the higher EBIT growth.

Around 75% of expected USD/DKK exposure for 2014 has been hedged at 5.79 USD/DKK. In 2013, the full USD/DKK exposure was hedged at 5.63.

Net investments: DKK 700-800 million Net investments, excluding the The BioAg Alliance asset transfer to Monsanto in the first quarter, are revised downwards to DKK 700-800 million, down from DKK 900-1,000 million at previous guidance. Novozymes still expects R&D-related CAPEX to support The BioAg Alliance, albeit at a lower level for 2014 than previously expected. Furthermore, it has been possible to postpone a number of minor CAPEX projects. Besides maintenance CAPEX, most investments still target operational efficiency improvements.

FCF before acq.: DKK 3,800-3,900 million Expectations for free cash flow before acquisitions are increased by DKK 500 million to DKK 3,800-3,900 million, up from DKK 3,300-3,400 million at previous guidance. Expectations for free cash flow are increased due to the expectations for lower net investments of around DKK 200 million and a change in cash management practice in China, which is expected to add roughly DKK 100 million to full-year cash flow.

The free cash flow includes a positive impact from The BioAg Alliance agreement, of now more than DKK 1,500 million, up from DKK 1,350 million at previous guidance. The main reason for the higher impact from The BioAg Alliance is a temporary reduction in net working capital.

ROIC: ~22% Return on invested capital is adjusted to ~22%, up from 21-22% at previous guidance, following increased expectations for net profit. 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 August 13, 2014, for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2013	746	562	262	91
Average exchange rate 1H 2013	746	568	280	92
Average exchange rate 1H 2014	746	544	237	88
Closing rate August 13, 2014	746	558	245	91
Estimated average exchange rate 2014*	746	551	241	89
Change in estimated exchange rate 2014 compared with average exchange rate 2013	0%	-2%	-8%	-2%

* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the closing rate Aug. 13 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

Accounting policies

The Interim report for the first half 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 half 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 half of 2014. The interim report has not been audited or reviewed by the company's independent auditor.

The Interim report for the first half 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 June 30, 2014, and of the results of the Group's operations and cash flow for the first half 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, August 14, 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	Product launches in 2014
Appendix 6	Company announcements for the fiscal year 2014 (excluding management's trading in Novozymes shares, major shareholder announcements and share buyback status)
Appendix 7	Financial calendar

Appendix 1: Main items and key figures

1.1 Key figures

(DKK million)	1H 2014	1H 2013	% change	Q2 2014	Q2 2013	% change
Revenue	6,094	5,870	4%	3,061	3,025	1%
Gross profit	3,525	3,387	4%	1,771	1,732	2%
Gross margin	57.8%	57.7%		57.9%	57.3%	
EBITDA	2,178	1,810	20%	1,011	926	9%
EBITDA margin	35.7%	30.8%		33.0%	30.6%	
Operating profit / EBIT	1,710	1,443	19%	787	734	7%
EBIT margin	28.1%	24.6%		25.7%	24.3%	
Net financials	(41)	(102)		(20)	(54)	
Profit before tax	1,669	1,341	24%	767	680	13%
Tax	384	271	42%	176	124	42%
Net profit	1,285	1,070	20%	591	556	6%
Earnings per DKK 2 share	4.09	3.41	20%	1.89	1.77	7%
Earnings per DKK 2 share (diluted)	4.05	3.37	20%	1.87	1.75	7%
Net investments	(213)	352				
Free cash flow before acquisitions	3,417	660				
Return on invested capital after tax (ROIC), incl. goodwill	24.6%	19.3%				
Net interest-bearing debt	(961)	1,888				
Equity ratio	59.5%	62.5%				
Return on equity	23.5%	21.8%				
Debt-to-equity ratio	(8.9)%	18.8%				

1.2 Income statement

(DKK million)	1H 2014	1H 2013	Q2 2014	Q2 2013
Revenue	6,094	5,870	3,061	3,025
Cost of goods sold	2,569	2,483	1,290	1,293
Gross profit	3,525	3,387	1,771	1,732
Sales and distribution costs	742	761	363	381
Research and development costs	862	776	441	404
Administrative costs	419	410	212	215
Other operating income, net	208	3	32	2
Operating profit / EBIT	1,710	1,443	787	734
Net financials	(41)	(102)	(20)	(54)
Profit before tax	1,669	1,341	767	680
Tax	384	271	176	124
Net profit	1,285	1,070	591	556
Attributable to				
Shareholders in Novozymes A/S	1,284	1,069	591	555
Non-controlling interests	1	1	-	1
Details of net financials				
Foreign exchange gain/(loss), net	29	(45)	26	(24)
Interest income/(costs)	(24)	(23)	(11)	(17)
Other financial items	(46)	(34)	(35)	(13)
Net financials	(41)	(102)	(20)	(54)
Earnings per DKK 2 share	4.09	3.41	1.89	1.77
Average no. of A/B shares outstanding (million)	313.9	313.4	313.1	313.8
Earnings per DKK 2 share (diluted)	4.05	3.37	1.87	1.75
Average no. of A/B shares, diluted (million)	317.2	317.1	316.3	317.2

1.3 Statement of comprehensive income

(DKK million)	1H 2014	1H 2013	Q2 2014	Q2 2013
Net profit	1,285	1,070	591	556
Currency translation of subsidiaries and non-controlling interests	(10)	(71)	78	(193)
Tax on currency translation adjustments	1	-	(1)	-
Currency translation adjustments	(9)	(71)	77	(193)
Cash flow hedges				
Fair value adjustments of cash flow hedges	(10)	(7)	(6)	21
Fair value adjustments reclassified to Financial income/costs	(36)	21	(20)	13
Tax on value adjustments of hedging instruments	10	(4)	5	(9)
Cash flow hedges	(36)	10	(21)	25
Other comprehensive income	(45)	(61)	56	(168)
Comprehensive income	1,240	1,009	647	388
Attributable to				
Shareholders in Novozymes A/S	1,239	1,008	647	387
Non-controlling interests	1	1	-	1

Appendix 2: Distribution of revenue

2.1 By industry

(DKK million)	1H 2014	1H 2013	% change	% currency impact	% change in local currency
Household Care	2,124	2,078	2	(3)	5
Food & Beverages	1,599	1,571	2	(3)	5
Bioenergy	1,050	873	20	(6)	26
Agriculture & Feed	919	949	(3)	(5)	2
Technical & Pharma	402	399	1	(2)	3
Sales	6,094	5,870	4	(4)	8

(DKK million)	Q2 2014	Q2 2013	% change	% currency impact	% change in local currency
Household Care	1,044	1,065	(2)	(3)	1
Food & Beverages	802	809	(1)	(4)	3
Bioenergy	536	475	13	(6)	19
Agriculture & Feed	464	439	6	(5)	11
Technical & Pharma	215	237	(9)	(2)	(7)
Sales	3,061	3,025	1	(4)	5

(DKK million)	2014		2013				% change Q2/Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Household Care	1,044	1,080	1,066	1,078	1,065	1,013	(2)
Food & Beverages	802	797	796	823	809	762	(1)
Bioenergy	536	514	540	496	475	398	13
Agriculture & Feed	464	455	382	337	439	510	6
Technical & Pharma	215	187	156	202	237	162	(9)
Sales	3,061	3,033	2,940	2,936	3,025	2,845	1

2.2 By geography

(DKK million)	1H 2014	1H 2013	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	2,264	2,167	4	(1)	5
North America	2,154	2,028	6	(5)	11
Asia Pacific	1,081	1,123	(4)	(6)	2
Latin America	595	552	8	(10)	18
Sales	6,094	5,870	4	(4)	8

(DKK million)	Q2 2014	Q2 2013	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	1,106	1,100	1	-	1
North America	1,109	1,051	6	(4)	10
Asia Pacific	537	576	(7)	(6)	(1)
Latin America	309	298	4	(8)	12
Sales	3,061	3,025	1	(4)	5

(DKK million)	2014		2013				% change Q2/Q2
	Q2	Q1	Q4	Q3	Q2	Q1	
Europe, Middle East & Africa	1,106	1,158	1,112	1,100	1,100	1,067	1
North America	1,109	1,045	930	905	1,051	977	6
Asia Pacific	537	544	542	569	576	547	(7)
Latin America	309	286	356	362	298	254	4
Sales	3,061	3,033	2,940	2,936	3,025	2,845	1

Appendix 3: Statement of cash flows

(DKK million)	1H 2014	1H 2013
Net profit	1,285	1,070
Reversals of non-cash cost items	343	807
Tax paid	(206)	(269)
Interest received	4	1
Interest paid	(29)	(33)
Cash flow before change in working capital	1,397	1,576
Change in working capital		
(Increase)/decrease in receivables	230	(276)
(Increase)/decrease in inventories	(20)	(106)
Increase/(decrease) in trade payables and other liabilities	1,590	(176)
Increase/(decrease) in exchange gain/loss	7	(6)
Cash flow from operating activities	3,204	1,012
Investments		
Purchase of intangible assets	-	(12)
Sale of intangible assets	409	-
Sale of property, plant and equipment	10	2
Purchase of property, plant and equipment	(206)	(342)
Cash flow from investing activities before acquisitions and purchase of financial assets	213	(352)
Free cash flow before acquisitions and purchase of financial assets	3,417	660
Business acquisitions and purchase of financial assets	(5)	(567)
Free cash flow	3,412	93
Financing activities		
Borrowings	-	261
Repayments of borrowings	-	(3)
Purchase of treasury stock	(859)	-
Sale of treasury stock	54	144
Dividend paid	(788)	(690)
Cash flow from financing activities	(1,593)	(288)
Net cash flow	1,819	(195)
Unrealized gain/loss on currencies and financial assets, included in cash and cash equivalents	(21)	(11)
Net change in cash and cash equivalents	1,798	(206)
Cash and cash equivalents at January 1	942	330
Cash and cash equivalents at June 30	2,740	124

Undrawn committed credit facilities are DKK 4,118 million at June 30, 2014.

Appendix 4: Balance sheet and Statement of shareholders' equity

4.1 Balance sheet

Assets (DKK million)	June 30, 2014	June 30, 2013	Dec. 31, 2013
Completed IT development projects	78	58	86
Acquired patents, licenses and know-how	1,856	2,175	1,754
Goodwill	1,048	902	1,022
IT development projects in progress	-	46	2
Intangible assets	2,982	3,181	2,864
Land and buildings	2,433	2,561	2,480
Plant and machinery	3,717	3,331	3,578
Other equipment	495	467	527
Property, plant and equipment under construction	327	879	550
Property, plant and equipment	6,972	7,238	7,135
Deferred tax assets	491	218	456
Other financial assets (non-interest-bearing)	18	-	14
Investment in associate	41	48	45
Other receivables	156	152	162
Non-current assets	10,660	10,837	10,676
Raw materials and consumables	287	274	276
Goods in progress	466	412	467
Finished goods	1,173	1,292	1,159
Inventories	1,926	1,978	1,902
Trade receivables	2,225	2,331	2,242
Tax receivables	264	235	151
Other receivables	255	311	301
Receivables	2,744	2,877	2,694
Other financial assets (non-interest-bearing)	43	14	87
Cash at bank and in hand	2,840	395	1,003
Assets held for sale	-	-	144
Current assets	7,553	5,264	5,830
Assets	18,213	16,101	16,506

Liabilities and shareholders' equity (DKK million)	June 30, 2014	June 30, 2013	Dec. 31, 2013
Common stock	639	639	639
Other reserves	124	371	290
Retained earnings	10,058	9,035	10,125
Equity attributable to shareholders in Novozymes A/S	10,821	10,045	11,054
Non-controlling interests	12	14	12
Shareholders' equity	10,833	10,059	11,066
Deferred tax liabilities	946	1,110	956
Provisions	156	257	151
Deferred income	1,027	-	-
Other non-current liabilities	29	-	-
Other financial liabilities (interest-bearing)	1,339	1,718	1,716
Other financial liabilities (non-interest-bearing)	16	20	18
Non-current liabilities	3,513	3,105	2,841
Other financial liabilities (interest-bearing)	540	565	92
Other financial liabilities (non-interest-bearing)	42	73	13
Provisions	151	104	128
Trade payables	941	851	976
Deferred income	234	-	-
Tax payables	577	189	356
Other payables	1,382	1,155	1,034
Current liabilities	3,867	2,937	2,599
Liabilities	7,380	6,042	5,440
Liabilities and shareholders' equity	18,213	16,101	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				1,284	1,284	1	1,285
Other comprehensive income for the period		(9)	(36)		(45)		(45)
Total comprehensive income for the period	-	(9)	(36)	1,284	1,239	1	1,240
Purchase of treasury stock				(859)	(859)		(859)
Sale of treasury stock				54	54		54
Write-down of common stock					-		-
Dividend				(787)	(787)	(1)	(788)
Stock-based payment				47	47		47
Tax related to equity items				73	73		73
Changes in shareholders' equity	-	(9)	(36)	(188)	(233)	-	(233)
Shareholders' equity at June 30, 2014	639	65	59	10,058	10,821	12	10,833
Shareholders' equity at January 1, 2013	650	428	4	8,473	9,555	13	9,568
Net profit for the period				1,069	1,069	1	1,070
Other comprehensive income for the period		(71)	10		(61)		(61)
Total comprehensive income for the period	-	(71)	10	1,069	1,008	1	1,009
Sale of treasury stock				144	144		144
Write-down of common stock	(11)			11	-		-
Dividend				(690)	(690)	-	(690)
Stock-based payment				25	25		25
Tax related to equity items				3	3		3
Changes in shareholders' equity	(11)	(71)	10	562	490	1	491
Shareholders' equity at June 30, 2013	639	357	14	9,035	10,045	14	10,059

Appendix 5: 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 6: 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
August 14, 2014	Interim report for the first half of 2014

Appendix 7: Financial calendar

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