

Q1 sales growth as expected; 2016 full-year organic sales growth and net profit outlook maintained

April 20, 2016

Interim report for the first three months of 2016.
Company announcement No. 20

In the first quarter of 2016, sales grew by 2% organically and by 1% in DKK compared with the first quarter of 2015. EBIT contracted by 3%, and the EBIT margin was 26.3%, a contraction of ~1 percentage point compared with the first quarter of 2015. Adjusting for the extraordinary costs related to the reorganization, the EBIT margin would have expanded to around 28%, and EBIT growth would have been around 4% compared with the first quarter of 2015. Net profit grew by 5%. Net investments were DKK 139 million, free cash flow before acquisitions was DKK 637 million and ROIC (incl. goodwill) was 25.0%.

The outlook for full-year organic sales growth and for net profit growth is unchanged. The outlook for sales and EBIT growth in DKK is adjusted from 3-5% to 1-3% to account for the lower currency exchange rates. The outlook for net investments, free cash flow and ROIC are all unchanged.

**Peder Holk Nielsen,
President & CEO of
Novozymes, comments:**

“I’m very satisfied with our sales growth in the first quarter of 2016, given the tough comparables from the first quarter of last year. We expect that organic sales growth in the second quarter will be stronger than in the first quarter. Our profitability is also in line with our expectations, so we’re on track to deliver on the targets that we set in January.”

	Realized		2016 outlook	2016 outlook
	Q1 2016	Q1 2015	April 20*	January 19
Sales, DKKm	3,609	3,579		
Sales growth, organic	2%	8%	3-5%	3-5%
Sales growth, DKK	1%	18%	1-3%	3-5%
Gross margin	57.6%	57.7%		
EBIT, DKKm	950	979		
EBIT growth	-3%	6%	1-3%	3-5%
EBIT margin	26.3%	27.4%	~28%	~28%
Net profit, DKKm	745	707		
Net profit growth	5%	2%	8-10%	8-10%
Net investments excl. acquisitions, DKKm	139	152	1,100-1,200	1,100-1,200
Free cash flow before acquisitions, DKKm	637	610	2,400-2,600	2,400-2,600
ROIC (including goodwill)	25.0%	26.6%	25-26%	25-26%
Avg. USD/DKK	677	662	661	685
EPS, DKK	2.45	2.29		
EPS (diluted), DKK	2.43	2.27		

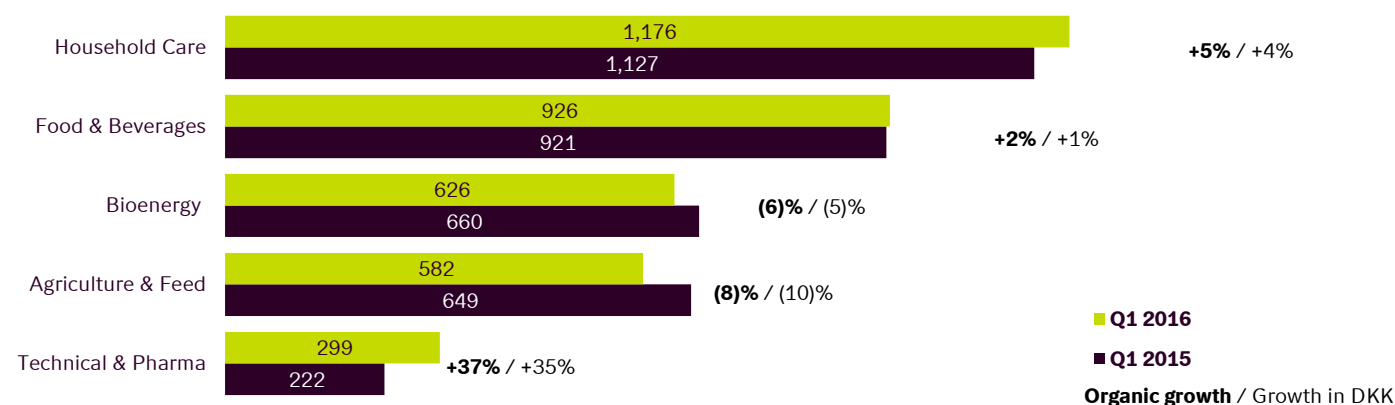
* Assumes exchange rates for the company’s key currencies remain at the closing rates on April 19 for the rest of 2016.

Sales and markets

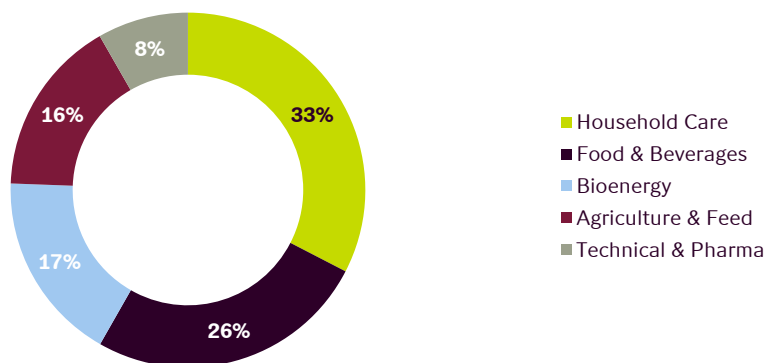
Total sales in the first quarter increased by 2% organically, compared with the first quarter of 2015, and sales in DKK increased by 1%. Sales to Household Care and Technical & Pharma were the most significant contributors to organic sales growth in the period.

Total sales:
Organic: +2%
DKK: +1%

Sales in DKK million and growth rates, Q1 2016



Distribution of sales, Q1 2016



Household Care

Sales to the Household Care industry increased by 5% organically and by 4% in DKK compared with the first quarter of 2015.

Household Care:
Organic: +5%
DKK: +4%

Sales in certain emerging markets, such as China and India, grew strongly because of increasing penetration in liquid formulas, whereas sales in Latin America were down due to the difficult macrosituation in the region. Sales in North America grew solidly because of an increase in demand for premium detergent products, and the European market was slightly positive.

Food & Beverages

Sales to the Food & Beverages industries increased by 2% organically and by 1% in DKK compared with the first quarter of 2015. Sales to the baking and brewing industries were the main contributors to sales growth. Sales to the starch industry also grew slightly, whereas sales for the production of healthy foods were lower because of timing of sales for infant formula products.

Food & Beverages:
Organic: +2%
DKK: +1%

Bioenergy

Sales to the Bioenergy industry decreased by 6% organically and by 5% in DKK compared with the first quarter of 2015. U.S. ethanol production is estimated to have increased by around 4% in the first quarter of 2016.

Bioenergy:
Organic: (6)%
DKK: (5)%

Novozymes' sales decreased because of customers' continued focus on low-cost solutions. This is due to the low-margin environment, which has persisted for close to a full year. Novozymes launched Avantec[®] Amp and Liquozyme[®] LpH in Q4 and Q3 2015 respectively. Both products have achieved roughly the expected market penetration, and trials of both are still ongoing. Exports of bioethanol from the U.S. continue to support the industry, while U.S. demand for bioethanol in gasoline remains at around 10% of gasoline demand.

Agriculture & Feed

Sales to the Agriculture & Feed industries decreased by 8% organically and by 10% in DKK compared with the first quarter of 2015. The decrease was primarily driven by BioAg and offset somewhat by a flat development in animal feed.

Agriculture & Feed:
Organic: (8)%
DKK: (10)%

BioAg sales declined in the first quarter of 2016, as sales for the North American season had already started in the fourth quarter of 2015; the comparison from the first quarter of 2015 was also very high. The penetration of BioAg products, especially in North America, is increasing at a steady pace. Novozymes recognized DKK 52 million of deferred income as revenue, compared with DKK 81 million in the first quarter of 2015.

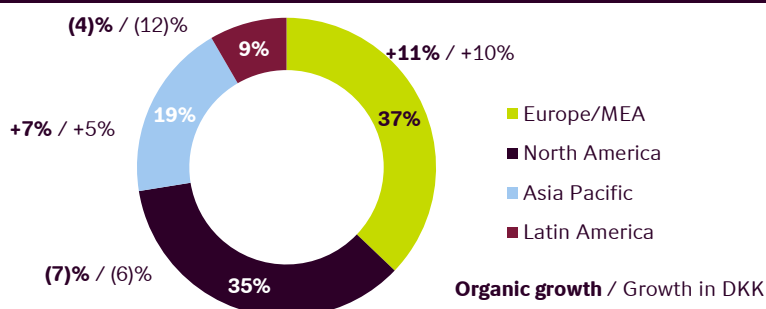
Enzyme sales to the animal feed market were flat in the first quarter, with sales of protein-enhancing solutions up and sales of phytases down. Sales of Alterion[®], the recently launched probiotic product for poultry, have started and are making a limited contribution to sales as a whole.

Technical & Pharma

Sales to the Technical & Pharma industries increased by 37% organically and by 35% in DKK compared with the first quarter of 2015, driven mainly by Pharma. The strong growth was mainly driven by timing of sales, final shipment of hyaluronic acid, and contributions from the royalty agreement with GSK. Sales to the textile and leather industries were also higher compared with the first quarter of 2015.

Technical & Pharma:
Organic: +37%
DKK: +35%

Sales by geography, Q1 2016



Europe, the Middle East & Africa

Sales grew by 11% organically and by 10% in DKK compared with the first quarter of 2015. All areas contributed to growth, but the most significant areas were Technical & Pharma and Agriculture & Feed.

Europe/MEA:
Organic: +11%
DKK: +10%

North America

Sales decreased by 7% organically and by 6% in DKK compared with the first quarter of 2015. Sales to Household Care and Technical & Pharma were the main drivers of growth, whereas sales to Agriculture & Feed and Bioenergy decreased.

North America:
Organic: (7)%
DKK: (6)%

Asia Pacific

Sales increased by 7% organically and by 5% in DKK compared with the first quarter of 2015. Sales to Household Care and Food & Beverages were the main contributors to sales growth, whereas sales to Agriculture & Feed were lower.

Asia Pacific:
Organic: +7%
DKK: +5%

Latin America

Sales decreased by 4% organically and by 12% in DKK compared with the first quarter of 2015. Sales to Food & Beverages and Technical & Pharma were the main drivers of sales growth, whereas sales to Agriculture & Feed decreased.

Latin America:
Organic: (4)%
DKK: (12)%

Costs and profit

Total costs excluding net financials, share of losses in associates and tax were DKK 2,668 million, an increase of 2% compared with the first quarter of 2015, driven by the reorganization.

Total costs: +2%

Gross profit increased by 1%, and the gross margin was 57.6%, on par with the first quarter of 2015. Productivity improvements increased the gross margin, partially offset by the one-time reorganization costs.

Gross margin: 57.6%

Operating costs increased by 3% to DKK 1,138 million, driven mainly by the one-time reorganization costs. Operating costs as a percentage of sales were 32%, 1 percentage point higher than the first quarter of 2015.

Operating costs: +3%

- Sales and distribution costs increased by 2%, representing 12% of sales
- R&D costs increased by 7%, representing 14% of sales. Disregarding the one-time reorganization costs, R&D costs were roughly flat
- Administrative costs decreased by 4%, representing 6% of sales

Other operating income totaled DKK 9 million, down from DKK 16 million in the first quarter of 2015.

Depreciation and amortization were DKK 231 million, up 2% from DKK 227 million in the first quarter of 2015.

**Depreciation and amortization:
DKK 231 million**

EBIT declined by 3% to DKK 950 million, down from DKK 979 million in the first quarter of 2015. Adjusting for the one-time reorganization costs, EBIT would have grown by around 4%.

EBIT: DKK 950 million

The EBIT margin was 26.3%, down 1.1 percentage points from 27.4% in the first quarter of 2015. Adjusting for the one-time reorganization costs, the EBIT margin would have been around 28%.

EBIT margin: 26.3%

Net financial income was DKK 15 million, an increase of DKK 80 million on the first quarter of 2015. This was mainly the result of a gain of DKK 17 million on net currency hedging/revaluation compared with a loss of DKK 36 million in the first quarter of 2015. In addition, Novozymes had a share of losses in associates of DKK 10 million, up from a loss of DKK 2 million in the first quarter of 2015.

**Net financial gain and share of
losses in associates:
DKK 5 million**

Profit before tax was DKK 955 million, up 5% on the first quarter of 2015. The effective tax rate in the first quarter of 2016 was 22.0%, against 22.5% in the first quarter of 2015, benefiting from a lower tax rate in Denmark.

Effective tax rate: 22.0%

Net profit was DKK 745 million, an increase of 5% from DKK 707 million in the first quarter of 2015, as the lower EBIT was offset by higher net financial gains and a lower tax rate.

Net profit: DKK 745 million

Cash flow and balance sheet

Cash flow from operating activities was DKK 776 million in the first quarter of 2016, compared with DKK 762 million in the first quarter of 2015.

**Operating cash flow:
DKK 776 million**

Net investments excluding acquisitions totaled DKK 139 million, compared with DKK 152 million in the first quarter of 2015.

**Net investments:
DKK 139 million**

Free cash flow before acquisitions was DKK 637 million, compared with DKK 610 million in the first quarter of 2015. The increase is primarily due to the higher net profit.

**Free cash flow before
acquisitions: DKK 637 million**

Shareholders' equity at March 31, 2016, was DKK 10,619 million, down 8% from year-end 2015 because of lower comprehensive income and an increased dividend payout. Shareholders' equity was 61% of the balance sheet total, a decrease of 4 percentage points from year-end 2015.

Equity ratio: 61%

At March 31, 2016, Novozymes had net interest-bearing debt of DKK 1,252 million, compared with net interest-bearing debt of DKK 210 million at year-end 2015. Net interest-bearing debt-to-EBITDA, based on an extrapolated full-year EBITDA, was 0.3 at March 31, 2016.

**Net interest-bearing debt-to-
EBITDA: 0.3**

Return on invested capital (ROIC), including goodwill, was 25.0%, 1.6 percentage points lower than for the first quarter of 2015. The decrease in ROIC was mainly a result of a higher capital base.

ROIC: 25.0%

At March 31, 2016, the holding of treasury stock was 7.7 million B shares, equivalent to 2.5% of the common stock. In the first quarter of 2016, Novozymes repurchased 1.4 million shares with a transaction value of DKK 403 million under the stock buyback program initiated on February 15, 2016.

Treasury stock: 2.5%

Novozymes canceled 3 million shares in the first quarter of 2016, as per company announcement No. 15 of March 30, 2016. Following the reduction, the common stock is DKK 620 million, divided into 310 million shares of DKK 2.

Sustainability

Sustainability performance in the first quarter of 2016 was slightly below target for most parameters. Occupational accidents continue to be an area with strong focus on improvements. Water efficiency and energy efficiency indicators were below the full year targets, but are still expected to be reached by the end of the year. The CO₂ intensity performance exceeded the target.

	Q1 2016	2016 target
Water efficiency improvement on 2014	11%	12%
Energy efficiency improvement on 2014	16%	18%
CO ₂ intensity reduction on 2014	21%	20%
Occupational accidents with absence per million working hours	2.1	≤1.7
Rate of absence	2.1%	≤2%

2016 outlook

	2016 outlook April 20*	2016 outlook January 19*
Sales growth, organic	3-5%	3-5%
Sales growth, DKK	1-3%	3-5%
EBIT growth	1-3%	3-5%
EBIT margin	~28%	~28%
Net profit growth	8-10%	8-10%
Net investments excl. acquisitions, DKKm	1,100-1,200	1,100-1,200
Free cash flow before acquisitions, DKKm	2,400-2,600	2,400-2,600
ROIC (including goodwill)	25-26%	25-26%
Avg. USD/DKK	661	685

* Assumes that exchange rates for the company's key currencies remain at the closing rates on April 19 for the rest of 2016.

Sales outlook

The organic sales outlook for 2016 is unchanged. The sales guidance in DKK is adjusted to 1-3% from 3-5%, to reflect lower exchange rates. Organic sales growth for the second quarter is expected to be above the full year guided range, and organic sales growth for the second half of the year is expected to be around the full year guided range.

Organic sales growth: 3-5%
DKK sales growth: 1-3%

Household Care sales growth is still expected to improve, compared with the 1% organic sales growth realized in 2015. Sales growth is expected to be driven by higher enzyme inclusion in detergents across tiers and markets to enhance wash performance and sustainability. Growth in Household Care is expected to be volatile through the year.

Food & Beverages sales growth is expected to be driven by a continuation of the positive trends seen in baking in 2015 and in the first quarter of 2016, supported by growth in the starch business driven by increased penetration of recently launched innovation. Healthy concepts are also expected to contribute to sales growth.

Bioenergy sales are still expected to contract organically in 2016, as the challenging market environment in the U.S. with high inventories, high ethanol production and low producer margins is expected to continue. U.S. ethanol production in 2016 is expected to be on par with 2015. The enzyme solutions launched in the fall of 2015 are performing well and will help to offset the negative price/mix impact and market share losses.

Agriculture & Feed sales are still expected to deliver solid sales growth, driven by both BioAg and animal feed. In 2016, Novozymes expects to recognize DKK ~210 million of the deferred BioAg income as revenue. In the first quarter of 2016, Novozymes recognized DKK 52 million. Deferred income does not impact the calculation of organic sales growth rates; it impacts realized sales growth in DKK and has no cash flow impact.

Technical & Pharma sales are expected to grow, primarily driven by the realized increase in sales to the pharmaceutical industries in the first quarter. Sales to the technical industries are also expected to increase.

Profit outlook

EBIT growth is adjusted downwards from 3-5% to 1-3% due to lower exchange rates. Novozymes expects to maintain the high level of profitability from 2015 and an EBIT margin of ~28%.

The effective tax rate is expected to be ~22%.

The expectation for net profit growth is still 8-10%, driven by growth in EBIT and an expectation of lower net financial costs compared with 2015.

Net investments are expected to be DKK 1,100-1,200 million. Besides maintenance, most CAPEX will be spent on production capacity expansions and expansions in R&D, notably the new innovation campus in Lyngby, Denmark.

Free cash flow before acquisitions is expected to be DKK 2,400-2,600 million.

Return on invested capital including goodwill is expected at 25-26%.

EBIT growth: 1-3%

EBIT margin: ~28%

Effective tax rate: ~22%

Net profit growth: 8-10%

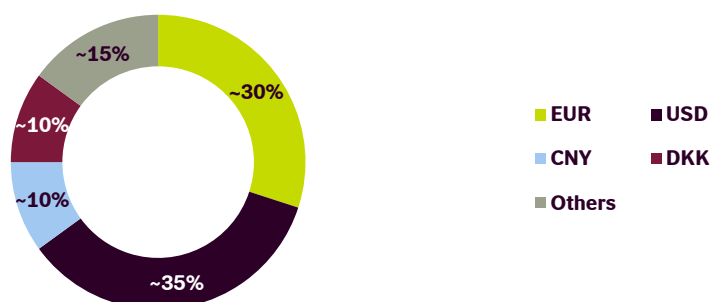
**Net investments:
DKK 1,100-1,200 million**

**Free cash flow before acq.:
DKK 2,400-2,600 million**

ROIC: 25-26%

Currency exposure

Sales by currency, 2015



From a currency perspective, 2016 EBIT is most exposed to fluctuations in the USD and EUR.

Other things being equal, a 5% movement in USD/DKK is expected to have an annual impact on EBIT of DKK 90-110 million.

Other things being equal, a 5% movement in EUR/DKK is expected to have an annual impact on EBIT of DKK 150-200 million.

Hedging of net currency exposure

	2016			
	Q1	Q2	Q3	Q4
USD	~100% hedged; ~90% via forward contracts at 6.75 USD/DKK and ~10% via options at 6.58			
EUR	~40% hedged via forward contracts at 7.39 EUR/DKK	-	-	-

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on April 19, 2016, for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2015	746	673	205	107
Closing rate April 19, 2016	744	656	184	101
Estimated average exchange rate 2016*	745	661	182	102
Change in estimated exchange rate 2016 compared with average exchange rate 2015	0%	-2%	-12%	-5%

* Estimated average exchange rate is calculated as the average exchange rate YTD combined with the closing rate April 19, 2016 for the rest of 2016.

Accounting policies

The Interim report for the first 3 months of 2016 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 2016 follows the same accounting policies as the annual report for 2015, 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, 2016. These IFRSs have not had any impact on the Group's interim report.

Forward-looking statements

This company announcement and its related comments contain forward-looking statements, including statements about future events, future financial performance, plans, strategies and expectations. Forward-looking statements are associated with words such as, but not limited to, "believe," "anticipate," "expect," "estimate," "intend," "plan," "project," "could," "may," "might" and other words of similar meaning. Forward-looking statements are by their very nature associated with risks and uncertainties that may cause actual results to differ materially from expectations, both positively and negatively. The risks and uncertainties may, among other things, include unexpected developments in i) the ability to develop and market new products; ii) the demand for Novozymes' products, market-driven price decreases, industry consolidation, and launches of competing products or disruptive technologies in Novozymes' core areas; iii) the ability to protect and enforce the company's intellectual property rights; iv) significant litigation or breaches of contract; v) the materialization of the company's growth platforms, notably the opportunity for marketing biomass conversion technologies or the development of microbial solutions for broad-acre crops; vi) political conditions, such as acceptance of enzymes produced by genetically modified organisms; vii) global economic and capital market conditions, including, but not limited to, currency exchange rates (USD/DKK and EUR/DKK in particular, but not exclusively), interest rates and inflation; viii) significant price decreases for inputs and materials that compete with Novozymes' biological solutions. The company undertakes no obligation to update any forward-looking statements as a result of future developments or new information.

Contact information

Investor Relations:

Martin Riise	+45 3077 0738	mrsn@novozymes.com
Klaus Sindahl	+45 5363 0134	ksdh@novozymes.com
Nicolai Agerskov Kobborg		niak@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
Johan Melchior	+45 3077 0690	jmel@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 three months of 2016. The interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first three months of 2016 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, 2016, and of the results of the Group's operations and cash flow for the first three months of 2016.

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 20, 2016

EXECUTIVE LEADERSHIP TEAM

Peder Holk Nielsen
President & CEO

Benny D. Loft

Thomas Videbæk

BOARD OF DIRECTORS

Henrik Gürtler
Chairman

Jørgen Buhl Rasmussen Vice
Chairman

Heinz-Jürgen Bertram

Lars Green

Lena Bech Holskov

Anders Hentze Knudsen

Lars Bo Køppler

Agnete Raaschou-Nielsen

Mathias Uhlén

Appendices

Appendix 1	Main items and key figures	13
	1.1 Key figures	13
	1.2 Income statement	14
	1.3 Statement of comprehensive income	15
Appendix 2	Distribution of revenue	16
	2.1 By industry	16
	2.2 By geography	16
Appendix 3	Statement of cash flows	17
	3.1 Statement of cash flows	17
Appendix 4	Balance sheet and Statement of shareholders' equity	18
	4.1 Balance sheet, Assets	18
	4.2 Balance sheet, Liabilities	19
	4.3 Statement of shareholders' equity	20
Appendix 5	Miscellaneous	21
	5.1 Product launches in 2016	21
	5.2 Company announcements for the fiscal year 2016	21
	5.3 Financial calendar	21

Appendix 1 Main items and key figures**1.1 Key figures**

(DKK million)	Q1 2016	Q1 2015	% change
Revenue	3,609	3,579	1%
Gross profit	2,079	2,064	1%
Gross margin	57.6%	57.7%	
EBITDA	1,181	1,206	(2)%
EBITDA margin	32.7%	33.7%	
Operating profit / EBIT	950	979	(3)%
EBIT margin	26.3%	27.4%	
Share of losses in associates	(10)	(2)	
Net financials	15	(65)	
Profit before tax	955	912	5%
Tax	(210)	(205)	2%
Net profit	745	707	5%
Earnings per DKK 2 share	2.45	2.29	7%
Earnings per DKK 2 share (diluted)	2.43	2.27	7%
Net investments	139	152	
Free cash flow before acq. and purchase of financial assets	637	610	
Return on invested capital (ROIC), incl. goodwill	25.0%	26.6%	
Net interest-bearing debt	1,252	210	
Equity ratio	60.7%	61.0%	
Return on equity	26.8%	25.1%	
Debt-to-equity	11.8%	1.9%	
NIBD/EBITDA	0.3	0.0	
Number of employees	6,378	6,486	
		Mar. 31, 2016	Mar. 31, 2015
Novozymes' stock			
Common stock (million)		310.0	313.0
Net worth per share (DKK)		34.25	35.96
Denomination of share (DKK)		2.00	2.00
Nominal value of common stock (DKK million)		620.0	626.0
Treasury stock (million)		7.7	5.3

1.2 Income statement

(DKK million)	Q1 2016	Q1 2015
Revenue	3,609	3,579
Cost of goods sold	(1,530)	(1,515)
Gross profit	2,079	2,064
Sales and distribution costs	(418)	(408)
Research and development costs	(502)	(467)
Administrative costs	(218)	(226)
Other operating income, net	9	16
Operating profit / EBIT	950	979
Share of losses in associates	(10)	(2)
Net financials	15	(65)
Profit before tax	955	912
Tax	(210)	(205)
Net profit	745	707
Attributable to		
Shareholders in Novozymes A/S	744	706
Non-controlling interests	1	1
Specification of net financials		
Foreign exchange gain/(loss), net	16	(37)
Interest income/(costs)	(5)	(11)
Other financial items	4	(17)
Net financials	15	(65)
Earnings per DKK 2 share	2.45	2.29
Average no. of A/B shares outstanding (million)	303.2	308.4
Earnings per DKK 2 share (diluted)	2.43	2.27
Average no. of A/B shares, diluted (million)	306.0	311.0

1.3 Statement of comprehensive income

(DKK million)	Q1 2016	Q1 2015
Net profit	745	707
Currency translation of subsidiaries and non-controlling interests	(323)	547
Tax on currency translation of subsidiaries	10	20
Currency translation adjustments	(313)	567
Cash flow hedges		
Fair value adjustments	45	(65)
Tax on fair value adjustments	(9)	28
Fair value adjustments reclassified to Financial income/costs	7	(31)
Tax on reclassified fair value adjustments	(2)	(7)
Cash flow hedges	41	(75)
Other comprehensive income	(272)	492
Comprehensive income	473	1,199
Attributable to		
Shareholders in Novozymes A/S	472	1,196
Non-controlling interests	1	3

Appendix 2 Distribution of revenue

2.1 By industry

(DKK million)	2016 Q1	2015 Q1	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,176	1,127	4	(1)	0	5
Food & Beverages	926	921	1	(1)	0	2
Bioenergy	626	660	(5)	1	0	(6)
Agriculture & Feed	582	649	(10)	(3) *	1	(8)
Technical & Pharma	299	222	35	(2)	0	37
Sales	3,609	3,579	1	(1)	0	2

* The effect from changes in deferred income is included in the currency impact. Realized currency impact was 0%.

(DKK million)	2016		2015		% change	
	Q1	Q4	Q3	Q2	Q1	Q1/Q1
Household Care	1,176	1,148	1,219	1,138	1,127	4
Food & Beverages	926	900	969	925	921	1
Bioenergy	626	616	639	628	660	(5)
Agriculture & Feed	582	524	465	492	649	(10)
Technical & Pharma	299	264	230	266	222	35
Sales	3,609	3,452	3,522	3,449	3,579	1

2.2 By geography

(DKK million)	2016 Q1	2015 Q1	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,340	1,214	10	(1)	0	11
North America	1,275	1,363	(6)	-	1	(7)
Asia Pacific	692	658	5	(2)	0	7
Latin America	302	344	(12)	(8)	0	(4)
Sales	3,609	3,579	1	(1)	0	2

The effect from changes in deferred income is included in the currency impact.

(DKK million)	2016		2015		% change	
	Q1	Q4	Q3	Q2	Q1	Q1/Q1
Europe, Middle East & Africa	1,340	1,162	1,300	1,186	1,214	10
North America	1,275	1,241	1,118	1,291	1,363	(6)
Asia Pacific	692	679	669	662	658	5
Latin America	302	370	435	310	344	(12)
Sales	3,609	3,452	3,522	3,449	3,579	1

Appendix 3 Statement of cash flows**3.1 Statement of cash flows**

(DKK million)	3M 2016	3M 2015
Net profit	745	707
Reversals of non-cash items	449	403
Tax paid	(227)	(190)
Interest received	1	1
Interest paid	(4)	(14)
Cash flow before change in working capital	964	907
Change in working capital		
(Increase)/decrease in receivables	(58)	(242)
(Increase)/decrease in inventories	43	6
Increase/(decrease) in trade payables and other liabilities	(181)	80
Increase/(decrease) in exchange gain/loss	8	11
Cash flow from operating activities	776	762
Investments		
Purchase of intangible assets	(13)	-
Sale of property, plant and equipment	10	1
Purchase of property, plant and equipment	(136)	(153)
Cash flow from investing activities before acquisitions and purchase of financial assets	(139)	(152)
Free cash flow before acquisitions and purchase of financial assets	637	610
Business acquisitions and purchase of financial assets	-	(35)
Free cash flow	637	575
Financing		
Borrowings	513	-
Repayments of borrowings	(30)	(377)
Hedging of net investments	-	(210)
Purchase of treasury stock	(403)	(421)
Sale of treasury stock	16	56
Dividend paid	(1,061)	(925)
Cash flow from financing activities	(965)	(1,877)
Net cash flow	(328)	(1,302)
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(6)	6
Change in cash and cash equivalents, net	(334)	(1,296)
Cash and cash equivalents, net, at January 1	796	2,453
Cash and cash equivalents, net, at March 31	462	1,157

Undrawn committed credit facilities at March 31, 2016, were DKK 2,000 million.

Appendix 4 Balance sheet and Statement of shareholders' equity**4.1 Balance sheet, Assets**

(DKK million)	Mar. 31, 2016	Dec. 31, 2015
Completed IT development projects	77	87
Acquired patents, licenses and know-how	1,370	1,425
Goodwill	1,116	1,140
IT development projects in progress	26	24
Intangible assets	2,589	2,676
Land and buildings	2,577	2,665
Plant and machinery	4,092	4,237
Other equipment	584	611
Assets under construction and prepayments	676	649
Property, plant and equipment	7,929	8,162
Deferred tax assets	453	459
Other financial assets (non-interest-bearing)	139	139
Investment in associate	81	91
Other receivables	88	116
Non-current assets	11,279	11,643
Raw materials and consumables	339	339
Goods in progress	559	578
Finished goods	1,312	1,364
Inventories	2,210	2,281
Trade receivables	2,531	2,558
Tax receivables	372	156
Other receivables	343	294
Receivables	3,246	3,008
Other financial assets (non-interest-bearing)	62	20
Cash and cash equivalents	732	839
Current assets	6,250	6,148
Assets	17,529	17,791

4.2 Balance sheet, Liabilities

(DKK million)	Mar. 31, 2016	Dec. 31, 2015
Common stock	620	626
Currency translation adjustments	225	538
Cash flow hedges	61	20
Retained earnings	9,713	10,396
Equity attributable to shareholders in Novozymes AS	10,619	11,580
Non-controlling interests	14	13
Shareholders' equity	10,633	11,593
Deferred tax liabilities	776	715
Provisions	185	186
Deferred income	730	769
Other liabilities	0	12
Other financial liabilities (interest-bearing)	1,199	1,202
Other financial liabilities (non-interest-bearing)	14	14
Non-current liabilities	2,904	2,898
Other financial liabilities (interest-bearing)	785	74
Other financial liabilities (non-interest-bearing)	13	42
Provisions	74	55
Trade payables	932	1,189
Deferred income	230	223
Tax payables	527	369
Other payables	1,431	1,348
Current liabilities	3,992	3,300
Liabilities	6,896	6,198
Liabilities and shareholders' equity	17,529	17,791

4.3 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, 2016	626	538	20	10,396	11,580	13	11,593
Net profit for the period				744	744	1	745
Other comprehensive income for the period		(313)	41		(272)	-	(272)
Total comprehensive income for the period		(313)	41	744	472	1	473
Purchase of treasury stock				(403)	(403)		(403)
Sale of treasury stock				16	16		16
Write-down of common stock	(6)			6	-		-
Dividend				(1,061)	(1,061)	-	(1,061)
Stock-based payment				51	51		51
Tax related to equity items				(36)	(36)		(36)
Changes in shareholders' equity	(6)	(313)	41	(683)	(961)	1	(960)
Shareholders' equity at March 31, 2016	620	225	61	9,713	10,619	14	10,633
Shareholders' equity at January 1, 2015	639	431	(10)	10,209	11,269	11	11,280
Net profit for the period				706	706	1	707
Other comprehensive income for the period		565	(75)		490	2	492
Total comprehensive income for the period	-	565	(75)	706	1,196	3	1,199
Purchase of treasury stock				(421)	(421)		(421)
Sale of treasury stock				56	56		56
Write-down of common stock	(13)			13	-		-
Dividend				(925)	(925)	-	(925)
Stock-based payment				24	24		24
Tax related to equity items				55	55		55
Changes in shareholders' equity	(13)	565	(75)	(492)	(15)	3	(12)
Shareholders' equity at March 31, 2015	626	996	(85)	9,717	11,254	14	11,268

Appendix 5 Miscellaneous

5.1 Product launches in 2016

Q1 2016	Alterion® – a probiotic solution for poultry that promotes more sustainable animal farming by improving feed conversion and gut health as well as helping to reduce the use of antibiotic growth promoters in poultry farms
Q1 2016	Saphera® – the only lactase on the market that offers better control of lactose elimination, better sweetness stability during shelf life of sugared dairy products and improved suitability in fermented dairy products such as yoghurt

5.2 Company announcements for the fiscal year 2016

(Excluding management's trading in Novozymes' stock, major shareholder announcements and stock buyback status)

January 19, 2016	Group financial statement for 2015
January 29, 2016	Initiation of stock buyback program 2016
February 8, 2016	Changes in organizational structure and Executive Leadership Team
February 12, 2016	Candidate for the Board of Directors will not seek election
February 24, 2016	Novozymes A/S Annual Shareholders' Meeting 2016
March 30, 2016	Reduction of share capital
April 20, 2016	Interim report for the first 3 months of 2016

5.3 Financial calendar

August 10, 2016	Interim report for the first half of 2016
October 26, 2016	Interim report for the first 9 months of 2016
January 18, 2017	Group financial statement for 2016
February 22, 2017	Novozymes A/S Annual Shareholders' Meeting 2017

About Novozymes

Novozymes is the world leader in biological solutions. Together with customers, partners and the global community, we improve industrial performance while preserving the planet's resources and helping build better lives. As the world's largest provider of enzyme and microbial technologies, our bioinnovation enables higher agricultural yields, low-temperature washing, energy-efficient production, renewable fuel and many other benefits that we rely on today and in the future. We call it Rethink Tomorrow. www.novozymes.com

Novozymes A/S CVR number: 10 00 71 27, 201600502-01

Novozymes A/S

Krogshøjvej 36
2880 Bagsvaerd
Denmark

Phone: +45 4446 0000