



Net profit growth of 5%; 2016 organic sales guidance around 2%; earnings outlook adjusted within range

In the first nine months of 2016, sales grew by 1% organically and declined by 1% in DKK compared with the first nine months of 2015. Sales outside North America increased by 5% organically, while sales in North America declined by 6% organically due to Bioenergy, Food & Beverages, and BioAg. As communicated in the half-year report, Novozymes expected growth in the second half to be skewed toward the end of the year. Sales in Q3 were lower than expected, declining by 3% organically, but Novozymes still expects moderate organic growth in the final quarter of the year.

The EBIT margin was on par, and EBIT declined by 1% compared with the first nine months of 2015. Adjusting for the restructuring costs in Q1, the EBIT margin would have expanded to above 28% and EBIT growth to above 1% compared with the first nine months of 2015.

The outlook for full-year organic sales growth is adjusted to around 2%, from previously 2-4%. The adjustment reflects the sales performance in the first nine months, and continued challenges in Household Care, Food & Beverages and agricultural markets. The outlook for sales growth in DKK is reduced to 0-1%, from previously 1-3%, due to the adjusted organic sales guidance. The outlooks for EBIT growth and net profit growth are also adjusted within the previously guided range.

	Realized		2016 outlook	2016 outlook
	9M 2016	9M 2015	October 26*	August 10
Sales, DKKm	10,428	10,550		
Sales growth, organic	1%	4%	~2%	2-4%
Sales growth, DKK	(1)%	14%	0-1%	1-3%
Gross margin	57.7%	58.2%		
EBIT, DKKm	2,884	2,922		
EBIT growth	(1)%	15%	1-2%	1-3%
EBIT margin	27.7%	27.7%	~28%	~28%
Net profit, DKKm	2,245	2,132		
Net profit growth	5%	11%	8-9%	8-10%
Net investments excl. acquisitions, DKKm	746	653	1,100-1,200	1,100-1,200
Free cash flow before acquisitions, DKKm	2,222	2,022	2,400-2,600	2,400-2,600
ROIC (including goodwill)	25.3%	26.6%	25-26%	25-26%
Avg. USD/DKK	668	670	672	670
EPS, DKK	7.45	6.95		
EPS (diluted), DKK	7.38	6.87		

* Assumes exchange rates for the company's key currencies remain at the closing rates on October 25 for the rest of 2016.

October 26, 2016

Interim report for the first nine months of 2016.

Company announcement No. 53

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

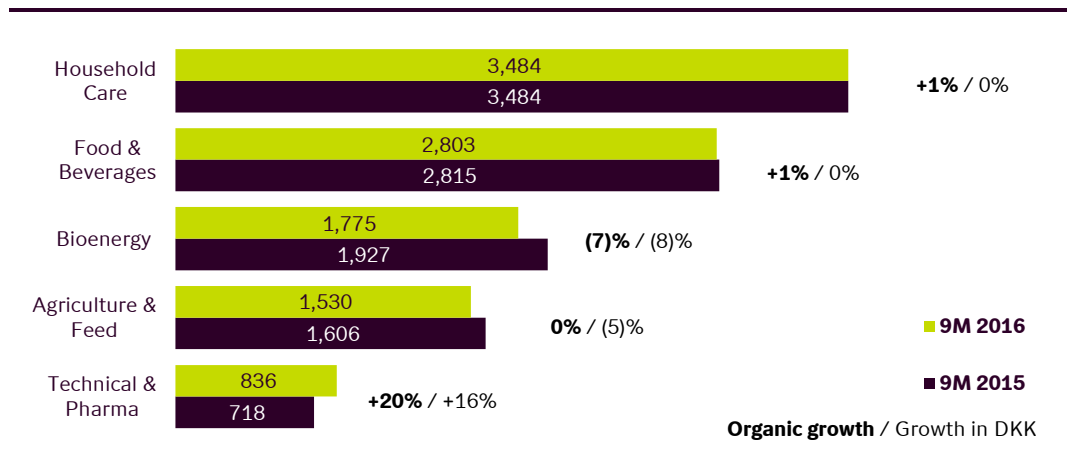
“Our new innovations have had a slower pick-up than anticipated, so our sales growth is weaker than we had expected at the beginning of the year. In spite of this, we expect to deliver 8-9% net profit growth. We will push through this period of low growth by shifting more resources to customer engagement and accelerating innovation while reducing our cost level elsewhere. Our pipeline of sustainable biological solutions is strong, and we're launching a number of promising new products in the coming quarters.”

Sales and markets

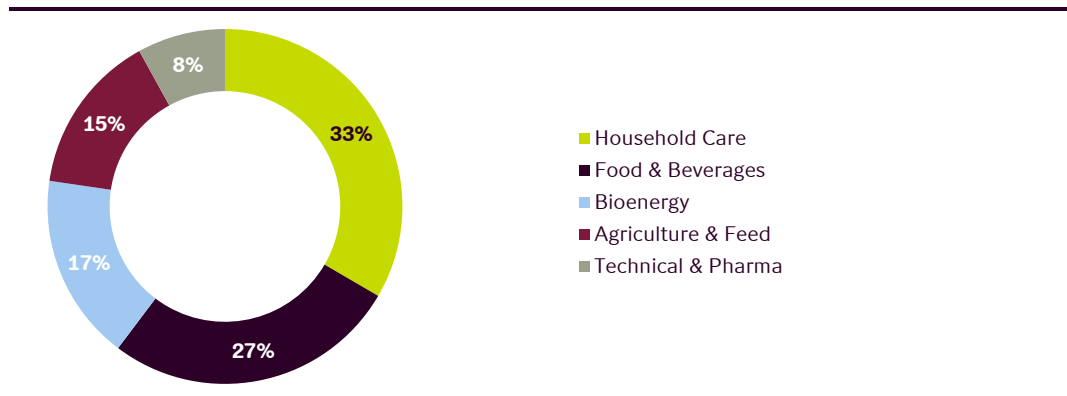
Total sales in the first nine months of the year increased by 1% organically compared with the first nine months of 2015, and sales in DKK were down by 1%. Sales to Technical & Pharma were the most significant contributors to organic sales growth in the period.

Total sales:
Organic: +1%
DKK: (1)%

Sales in DKK million and growth rates, 9M 2016



Distribution of sales, 9M 2016



Household Care

Sales to the Household Care industry increased by 1% organically and were flat in DKK compared with the first nine months of 2015. Overall market interest in new enzyme technology and new applications, such as dish wash and professional cleaning, is very strong.

Household Care:
Organic: +1%
DKK: 0%

Sales in Asia grew solidly due to continued penetration of performance-boosting enzymes in liquid formulas, particularly in the Chinese market. Sales in North America grew moderately due to continued demand for premium detergent products. Sales growth in Europe was negative due to low growth in detergent demand driven by cost-conscious detergent producers. Sales growth in Latin America was also negative, mainly due to poor macroeconomics.

Food & Beverages

Sales to the Food & Beverages industries increased by 1% organically and were flat in DKK compared with the first nine months of 2015. Sales to the starch and brewing industries continued to be the main contributors to sales growth. Sales to the baking industry declined, mainly due to a high comparison from 2015. Sales in production of healthy foods declined due to lower sales for infant formula, but growth in lactases and other areas partly offset the negative development.

Food & Beverages:
Organic: +1%
DKK: +0%

Bioenergy

Sales to the Bioenergy industry decreased by 7% organically and by 8% in DKK compared with the first nine months of 2015. U.S. ethanol production in the first nine months of 2016 is estimated to be up by 3.5% compared with the same period of 2015.

Bioenergy:
Organic: (7)%
DKK: (8)%

Ethanol producers have continued to focus on low-cost solutions, resulting in negative product mix and price changes. Avantec® Amp and Liquozyme® LpH continue to increase penetration and contributed positively to the product mix, although not enough to offset the overall negative impacts from product mix and pricing.

Agriculture & Feed

Sales to the Agriculture & Feed industries were flat organically and declined by 5% in DKK compared with the first nine months of 2015.

Agriculture & Feed:
Organic: 0%
DKK: (5)%

Sales development in BioAg was negative, primarily due to timing and the impact of the continuing strong headwinds, including low commodity prices, on our main markets in the U.S. and Latin America.

Novozymes recognized DKK 112 million of deferred income as revenue compared with DKK 174 million in the first nine months of 2015.

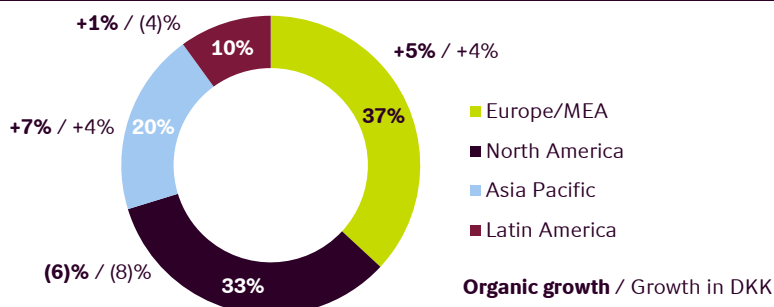
Sales to the animal feed enzyme market grew strongly in the first nine months across geographies. The growth was driven mainly by protein-enhancing solutions, although some of the growth was the result of inventory building. Sales of the probiotic Alterion® progressed well.

Technical & Pharma

Sales to the Technical & Pharma industries increased by 20% organically and by 16% in DKK compared with the first nine months of 2015, driven mainly by Pharma. The strong growth was mainly driven by sales of enzymes for pharmaceutical production, shipment of hyaluronic acid in Q1 and contributions from the royalty agreement with GSK.

Technical & Pharma:
Organic: +20%
DKK: +16%

Sales by geography, 9M 2016



Sales to developed markets constituted around 65% of sales and sales to emerging markets around 35%, on par with the first nine months of 2015. Sales to developed markets were flat organically, and sales to emerging markets grew by 3% organically compared with the first nine months of 2015. Sales outside North America increased by 5% organically.

Europe, the Middle East & Africa

All areas contributed to growth, except Household Care, and the most significant contributors were Technical & Pharma and Agriculture & Feed.

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

North America

Sales to Household Care and Technical & Pharma increased, whereas all other areas declined.

North America:
Organic: (6)%
DKK: (8)%

Asia Pacific

All areas contributed to growth, and the most significant areas were Household Care and Food & Beverages.

Asia Pacific:
Organic: +7%
DKK: +4%

Latin America

All areas contributed to growth, except Household Care, but the most significant contributors were Food & Beverages and Bioenergy.

Latin America:
Organic: +1%
DKK: (4)%

Costs and profit

Total costs excluding net financials, share of losses in associates and tax were DKK 7,605 million, a decrease of 1% compared with the first nine months of 2015.

Total costs: (1)%

Gross profit decreased by 2% compared with the first nine months of 2015, and the gross margin was 57.7%. Productivity improvements increased the gross margin, offset by the reorganization costs and product mix changes. Adjusting for the costs associated with the reorganization in Q1, the gross margin would have been around 58%, on par with the first nine months of 2015.

Gross margin: 57.7%

Operating costs were DKK 3,196 million, a decrease of 3%, driven mainly by lower administrative costs. Operating costs as a percentage of sales were 31%, on par with the first nine months of 2015.

Operating costs: (3)%

- Sales and distribution costs increased slightly, representing 11% of sales
- R&D costs decreased by 4%, representing 13% of sales
- Administrative costs decreased by 7%, representing 6% of sales

Other operating income totaled DKK 61 million, compared with DKK 62 million in the first nine months of 2015.

Depreciation, write-downs and amortization were DKK 702 million, down 5% from DKK 742 million in the first nine months of 2015. The lower level was due to the write-downs in 2015.

EBIT decreased by 1% to DKK 2,884 million, down from DKK 2,922 million in the first nine months of 2015. The EBIT margin was 27.7%, in line with the first nine months of 2015. Adjusting for the one-time reorganization costs, EBIT grew by above 1%, and the EBIT margin was above 28%.

Net financial costs were DKK 5 million, an improvement of DKK 161 million compared with the first nine months of 2015. This was mainly the result of a gain of DKK 25 million on currency hedging/revaluation compared with a loss of DKK 108 million in the first nine months of 2015. Furthermore, Novozymes had a share of losses in associates of DKK 19 million, compared to a loss of DKK 5 million in the first nine months of 2015.

Profit before tax was DKK 2,860 million, up 4% from the first nine months of 2015. The effective tax rate in the first nine months of 2016 was ~22%, against ~23% in the first nine months of 2015, benefiting from a lower tax rate in Denmark.

Net profit was DKK 2,245 million, an increase of 5% from DKK 2,132 million in the first nine months of 2015, primarily driven by lower net financial costs.

Depreciation, write-downs and amortization: DKK 702 million

EBIT: DKK 2,884 million

EBIT margin: 27.7%

Net financial costs and share of losses in associates: DKK (24) million

Effective tax rate: ~22%

Net profit: DKK 2,245 million

Cash flow and balance sheet

Cash flow from operating activities was DKK 2,968 million in the first nine months of 2016 compared with DKK 2,675 million in the first nine months of 2015.

Net investments excluding acquisitions totaled DKK 746 million compared with DKK 653 million in the first nine months of 2015. The increase is related to the purchase of land for the new innovation campus in Denmark.

Free cash flow before acquisitions was DKK 2,222 million compared with DKK 2,022 million in the first nine months of 2015. The increase is primarily due to the higher net profit. In the third quarter, Novozymes acquired Organobalance GmbH, impacting free cash flow by DKK 149 million.

Shareholders' equity at September 30, 2016, was DKK 10,972 million, down 5% from year-end 2015, driven by lower comprehensive income and an increased dividend payout. Shareholders' equity was 62% of the balance sheet total, a decrease of 4 percentage points from year-end 2015.

At September 30, 2016, Novozymes had net interest-bearing debt of DKK 1,138 million compared with DKK 437 million at year-end 2015. Net interest-bearing debt-to-EBITDA, based on an extrapolated full-year EBITDA, was 0.2 at September 30, 2016.

Return on invested capital (ROIC), including goodwill, was 25.3%, 1.3 percentage points lower than for the first nine months of 2015. The decrease in ROIC was mainly a result of a higher capital base due to higher net working capital, investments in land and the acquisition of Organobalance GmbH.

Operating cash flow: DKK 2,968 million

Net investments: DKK 746 million

Free cash flow before acquisitions: DKK 2,222 million

Equity ratio: 62%

Net interest-bearing debt-to-EBITDA: 0.2

ROIC: 25.3%

At September 30, 2016, the holding of treasury stock was 11.5 million B shares, equivalent to 3.7% of the common stock. In the first nine months of 2016, Novozymes repurchased 5.7 million shares with a transaction value of DKK 1,708 million under the stock buyback program initiated on February 15, 2016. The full program has a framework of DKK 2,000 million and is expected to be completed by the end of the year.

Treasury stock: 3.7%

Sustainability

Sustainability performance in the first nine months of 2016 was below target for most parameters. Water efficiency, energy efficiency and CO₂ intensity performance were below the full-year targets due to lower gross profit, and high capacity utilization and changes in product mix negatively affected environmental performance. The environmental targets will be challenging to meet by the end of the year. The target for occupational accidents will not be met because of too many accidents in the first nine months. New initiatives with focus on safety improvements have been undertaken.

	9M 2016	2016 target
Water efficiency improvement on 2014	8%	12%
Energy efficiency improvement on 2014	12%	18%
CO ₂ intensity reduction on 2014	18%	20%
Occupational accidents with absence per million working hours	2.5	≤1.7
Rate of absence	1.9%	≤2%

2016 outlook

	2016 outlook October 26*	2016 outlook August 10
Sales growth, organic	~2%	2-4%
Sales growth, DKK	0-1%	1-3%
EBIT growth	1-2%	1-3%
EBIT margin	~28%	~28%
Net profit growth	8-9%	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	672	670

* Assumes that exchange rates for the company's key currencies remain at the closing rates on October 25 for the rest of 2016.

Sales outlook

The organic sales outlook has been adjusted to around 2% from previously 2-4%. This change reflects the sales performance in the first nine months and the continued challenges facing consumer and agricultural markets. The sales growth outlook in DKK for 2016 is reduced to 0-1%, from previously 1-3%, due to the adjusted organic sales guidance. Novozymes still expects all areas except Bioenergy to deliver organic sales growth. However, the expectations for Household Care and Food & Beverages have been reduced.

Organic sales growth: ~2%
DKK sales growth: 0-1%

Household Care sales growth is expected to be on par with the 1% organic sales growth realized in 2015. The reduced outlook is mainly due to delays in the uptake of recently launched innovation and lower realized sales than expected, mainly in Europe.

Food & Beverages sales are expected to grow only slightly. The reduced outlook is mainly due to lowered prices in baking in the U.S. to accommodate the upcoming expiry of a baking application patent. In Food & Nutrition, Novozymes expects lower demand for enzymes for infant formula.

Bioenergy sales are still expected to contract organically, as the competitive market for enzymes for ethanol production is expected to continue. U.S. ethanol production in 2016 is still expected to increase by around 2% compared with 2015. Novozymes expects to continue launching new enzymes for corn ethanol production in 2017.

Agriculture & Feed sales are still expected to deliver moderate sales growth. Both areas are expected to contribute positively. Expectations for the upcoming launch of the new corn inoculant are unchanged. Novozymes expects to recognize less than DKK 200 million of the deferred BioAg income as revenue in 2016. 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 nine months. Sales to the technical industries are also expected to increase.

Profit outlook

The outlook for EBIT growth is adjusted within the previously guided range, and EBIT growth is now expected to be 1-2%. The outlook is reduced to reflect the lowered expectations for organic sales growth. The EBIT margin is unchanged. 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 adjusted within the previously guided range to 8-9% to reflect the lowered EBIT growth expectations. Net profit growth will be driven by growth in EBIT and an expectation of lower net financial costs compared with 2015.

Expectations for net investments are unchanged at DKK 1,100-1,200 million. Besides maintenance, most CAPEX will be spent on production capacity expansions and the new innovation campus in Lyngby, Denmark.

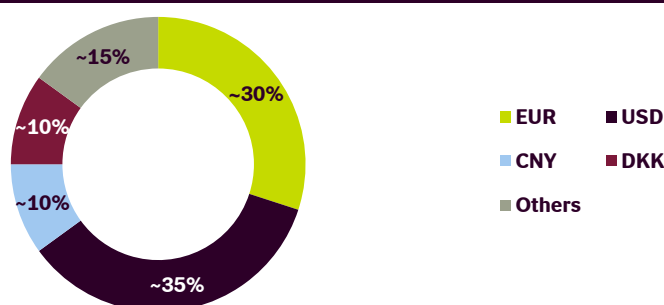
Free cash flow before acquisitions is expected to be DKK 2,400-2,600 million.

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

EBIT growth: 1-2%**EBIT margin: ~28%****Effective tax rate: ~22%****Net profit growth: 8-9%****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 positive impact on EBIT of DKK 90-110 million, and vice versa.

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

Hedging of net currency exposure

	2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD	~100% hedged; ~90% via forward contracts at 6.75 USD/DKK and ~10% via options at 6.58				~100% hedged; ~90% via forward contracts and at 6.66 USD/DKK and ~10% via options at 6.60			
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 October 25 for the full year.

(DKK)	EUR	USD	BRL	CNY
Average exchange rate 2015	746	673	205	107
Average exchange rate 9M 2015	746	670	214	107
Average exchange rate 9M 2016	745	668	189	101
Closing rate October 25, 2016	744	684	220	101
Estimated average exchange rate 2016*	745	672	197	101
Change in estimated exchange rate 2016 compared with average exchange rate 2015	0%	0%	-4%	-5%

* Estimated average exchange rate is calculated as the average exchange rate Jan-Sep 2016 combined with the closing rate on October 25 for the rest of 2016.

Accounting policies

The Interim report for the first nine 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 nine 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	+45 3077 1348	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 nine months of 2016. The interim report has not been audited or reviewed by the company's independent auditor.

The interim report for the first nine 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 September 30, 2016, and of the results of the Group's operations and cash flow for the first nine 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, October 26, 2016

EXECUTIVE MANAGEMENT

Peder Holk Nielsen
President & CEO

Benny D. Loft
CFO

Thomas Videbæk
COO

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
	4.4 Preliminary opening balance, Organobalance GmbH	21
Appendix 5	Miscellaneous	22
	5.1 Product launches in 2016	22
	5.2 Company announcements for the fiscal year 2016	22
	5.3 Financial calendar	22

Appendix 1 Main items and key figures

1.1 Key figures

(DKK million)	9M 2016	9M 2015	% change	Q3 2016	Q3 2015	% change
Revenue	10,428	10,550	(1)%	3,390	3,522	(4)%
Gross profit	6,019	6,139	(2)%	1,942	2,070	(6)%
Gross margin	57.7%	58.2%		57.3%	58.8%	
EBITDA	3,586	3,664	(2)%	1,211	1,243	(3)%
EBITDA margin	34.4%	34.7%		35.7%	35.3%	
Operating profit / EBIT	2,884	2,922	(1)%	973	1,013	(4)%
EBIT margin	27.7%	27.7%		28.7%	28.8%	
Share of losses in associates	(19)	(5)		(5)	(1)	
Net financials	(5)	(166)		(14)	(53)	
Profit before tax	2,860	2,751	4%	954	959	(1)%
Tax	(615)	(619)	(1)%	(205)	(216)	(5)%
Net profit	2,245	2,132	5%	749	743	1%
Earnings per DKK 2 share	7.45	6.95	7%	2.50	2.43	3%
Earnings per DKK 2 share (diluted)	7.38	6.87	7%	2.48	2.41	3%
Net investments	746	653				
Free cash flow before acq. and purchase of financial assets	2,222	2,022				
Return on invested capital (ROIC), incl. goodwill	25.3%	26.6%				
Net interest-bearing debt	1,138	213				
Equity ratio	61.6%	61.9%				
Return on equity	26.5%	25.4%				
Debt-to-equity	10.4%	1.9%				
NIBD/EBITDA	0.2	0.0				
Number of employees	6,450	6,554				
				Sep. 30, 2016	Sep. 30, 2015	
Novozymes' stock						
Common stock (million)				310.0	313.0	
Net worth per share (DKK)				35.35	35.41	
Denomination of share (DKK)				2.00	2.00	
Nominal value of common stock (DKK million)				620.0	626.0	
Treasury stock (million)				11.5	8.7	

1.2 Income statement

(DKK million)	9M 2016	9M 2015	Q3 2016	Q3 2015
Revenue	10,428	10,550	3,390	3,522
Cost of goods sold	(4,409)	(4,411)	(1,448)	(1,452)
Gross profit	6,019	6,139	1,942	2,070
Sales and distribution costs	(1,196)	(1,175)	(386)	(387)
Research and development costs	(1,390)	(1,445)	(432)	(471)
Administrative costs	(610)	(659)	(178)	(220)
Other operating income, net	61	62	27	21
Operating profit / EBIT	2,884	2,922	973	1,013
Share of losses in associates	(19)	(5)	(5)	(1)
Net financials	(5)	(166)	(14)	(53)
Profit before tax	2,860	2,751	954	959
Tax	(615)	(619)	(205)	(216)
Net profit	2,245	2,132	749	743
Attributable to				
Shareholders in Novozymes A/S	2,244	2,131	750	743
Non-controlling interests	1	1	(1)	-
Specification of net financials				
Foreign exchange gain/(loss), net	25	(108)	(8)	(43)
Interest income/(costs)	(21)	(24)	(8)	(3)
Other financial items	(9)	(34)	2	(7)
Net financials	(5)	(166)	(14)	(53)
Earnings per DKK 2 share	7.45	6.95	2.50	2.43
Average no. of A/B shares outstanding (million)	301.4	306.8	299.5	305.2
Earnings per DKK 2 share (diluted)	7.38	6.87	2.48	2.41
Average no. of A/B shares, diluted (million)	304.3	310.1	302.4	308.9

1.3 Statement of comprehensive income

(DKK million)	9M 2016	9M 2015	Q3 2016	Q3 2015
Net profit	2,245	2,132	749	743
Currency translation of subsidiaries and non-controlling interests	(217)	(6)	(63)	(242)
Tax on currency translation of subsidiaries	3	35	1	14
Currency translation adjustments	(214)	29	(62)	(228)
Fair value adjustments	(16)	73	(45)	47
Tax on fair value adjustments	3	(16)	10	(11)
Fair value adjustments reclassified to Financial income/costs	24	(31)	50	-
Tax on reclassified fair value adjustments	(5)	7	(11)	-
Cash flow hedges	6	33	4	36
Other comprehensive income	(208)	62	(58)	(192)
Comprehensive income	2,037	2,194	691	551
Attributable to				
Shareholders in Novozymes A/S	2,036	2,192	691	551
Non-controlling interests	1	2	-	-

Appendix 2 Distribution of revenue

2.1 By industry

(DKK million)	2016 9M	2015 9M	% change	% currency impact	% M&A impact	% organic growth
Household Care	3,484	3,484	0	(1)	0	1
Food & Beverages	2,803	2,815	0	(1)	0	1
Bioenergy	1,775	1,927	(8)	(1)	0	(7)
Agriculture & Feed	1,530	1,606	(5)	(6)	1	0
Technical & Pharma	836	718	16	(4)	0	20
Sales	10,428	10,550	(1)	(2) *	0	1

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -2%.

(DKK million)	2016 Q3	2015 Q3	% change	% currency impact	% M&A impact	% organic growth
Household Care	1,154	1,219	(5)	0	0	(5)
Food & Beverages	947	969	(2)	0	0	(2)
Bioenergy	579	639	(9)	(1)	0	(8)
Agriculture & Feed	452	465	(3)	(1)	1	(3)
Technical & Pharma	258	230	12	(4)	0	16
Sales	3,390	3,522	(4)	(1) *	0	(3)

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1%.

(DKK million)	2016			2015			% change	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Household Care	1,154	1,154	1,176	1,148	1,219	1,138	1,127	(5)
Food & Beverages	947	930	926	900	969	925	921	(2)
Bioenergy	579	570	626	616	639	628	660	(9)
Agriculture & Feed	452	496	582	524	465	492	649	(3)
Technical & Pharma	258	276	299	264	230	266	222	12
Sales	3,390	3,426	3,609	3,452	3,522	3,449	3,579	(4)

2.2 By geography

(DKK million)	2016 9M	2015 9M	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	3,847	3,700	4	(1)	0	5
North America	3,479	3,772	(8)	(2)	0	(6)
Asia Pacific	2,060	1,989	4	(3)	0	7
Latin America	1,042	1,089	(4)	(5)	0	1
Sales	10,428	10,550	(1)	(2) *	0	1

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -2%.

(DKK million)	2016 Q3	2015 Q3	% change	% currency impact	% M&A impact	% organic growth
Europe, Middle East & Africa	1,261	1,300	(3)	(1)	0	(2)
North America	1,063	1,118	(5)	(1)	0	(4)
Asia Pacific	673	669	1	(2)	0	3
Latin America	393	435	(10)	1	0	(11)
Sales	3,390	3,522	(4)	(1) *	0	(3)

* The effect from changes in deferred income in BioAg is included in the currency impact. Realized currency impact was -1%.

(DKK million)	2016			2015			% change	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Europe, Middle East & Africa	1,261	1,246	1,340	1,162	1,300	1,186	1,214	(3)
North America	1,063	1,141	1,275	1,241	1,118	1,291	1,363	(5)
Asia Pacific	673	695	692	679	669	662	658	1
Latin America	393	347	302	370	435	310	344	(10)
Sales	3,390	3,429	3,609	3,452	3,522	3,449	3,579	(4)

Appendix 3 Statement of cash flows

3.1 Statement of cash flows

(DKK million)	9M 2016	9M 2015
Net profit	2,245	2,132
Reversals of non-cash items	1,327	1,400
Tax paid	(345)	(366)
Interest received	3	3
Interest paid	(19)	(30)
Cash flow before change in working capital	3,211	3,139
Change in working capital		
(Increase)/decrease in receivables	175	(294)
(Increase)/decrease in inventories	(161)	(111)
Increase/(decrease) in trade payables and other liabilities	(259)	(46)
Increase/(decrease) in exchange gain/loss	2	(13)
Cash flow from operating activities	2,968	2,675
Investments		
Purchase of intangible assets	(89)	(27)
Sale of property, plant and equipment	17	6
Purchase of property, plant and equipment	(674)	(632)
Cash flow from investing activities before acquisitions and purchase of financial assets	(746)	(653)
Free cash flow before acquisitions and purchase of financial assets	2,222	2,022
Business acquisitions and purchase of financial assets	(151)	(54)
Free cash flow	2,071	1,968
Financing		
Borrowings	1,270	113
Repayments of borrowings	(763)	(577)
Hedging of net investments	-	(398)
Purchase of treasury stock	(1,708)	(1,645)
Sale of treasury stock	54	98
Dividend paid	(1,061)	(925)
Cash flow from financing activities	(2,208)	(3,334)
Net cash flow	(137)	(1,366)
Unrealized gain/(loss) on currencies and financial assets, included in cash and cash equivalents	(2)	(23)
Change in cash and cash equivalents, net	(139)	(1,389)
Cash and cash equivalents, net, at January 1	796	2,453
Cash and cash equivalents, net, at September 30	657	1,064

Undrawn committed credit facilities at September 30, 2016, were DKK 3,500 million.

Appendix 4 Balance sheet and Statement of shareholders' equity

4.1 Balance sheet, Assets

(DKK million)	Sep. 30, 2016	Sep. 30, 2015	Dec. 31, 2015
Completed IT development projects	100	90	87
Acquired patents, licenses and know-how	1,499	1,596	1,425
Goodwill	1,140	1,128	1,140
IT development projects in progress	43	21	24
Intangible assets	2,782	2,835	2,676
Land and buildings	2,850	2,573	2,665
Plant and machinery	4,061	3,973	4,237
Other equipment	555	568	611
Assets under construction and prepayments	773	757	649
Property, plant and equipment	8,239	7,871	8,162
Deferred tax assets	463	471	459
Other financial assets (non-interest-bearing)	151	5	139
Investment in associate	72	93	91
Other receivables	31	123	116
Non-current assets	11,738	11,398	11,643
Raw materials and consumables	348	333	339
Goods in progress	635	563	578
Finished goods	1,439	1,426	1,364
Inventories	2,422	2,322	2,281
Trade receivables	2,416	2,527	2,558
Tax receivables	224	216	156
Other receivables	330	308	294
Receivables	2,970	3,051	3,008
Other financial assets (non-interest-bearing)	9	50	20
Cash and cash equivalents	675	1,095	839
Current assets	6,076	6,518	6,148
Assets	17,814	17,916	17,791

4.2 Balance sheet, Liabilities

(DKK million)	Sep. 30, 2016	Sep. 30, 2015	Dec. 31, 2015
Common stock	620	626	626
Currency translation adjustments	324	459	538
Cash flow hedges	26	23	20
Retained earnings	9,988	9,976	10,396
Equity attributable to shareholders in Novozymes A/S	10,958	11,084	11,580
Non-controlling interests	14	13	13
Shareholders' equity	10,972	11,097	11,593
Deferred tax liabilities	845	765	715
Provisions	206	179	186
Deferred income	641	805	769
Other liabilities	0	17	12
Other financial liabilities (interest-bearing)	1,717	1,225	1,202
Other financial liabilities (non-interest-bearing)	23	15	14
Non-current liabilities	3,432	3,006	2,898
Other financial liabilities (interest-bearing)	96	83	74
Other financial liabilities (non-interest-bearing)	12	88	42
Provisions	57	107	55
Trade payables	1,006	1,064	1,189
Deferred income	212	234	223
Tax payables	631	700	369
Other payables	1,396	1,537	1,348
Current liabilities	3,410	3,813	3,300
Liabilities	6,842	6,819	6,198
Liabilities and shareholders' equity	17,814	17,916	17,791

4.3 Statement of shareholders' equity

(DKK million)	Attributable to shareholders in Novozymes A/S						Total
	Common stock	Currency translation adjustments	Cash flow hedges	Retained earnings	Total	Non-controlling interests	
Shareholders' equity at January 1, 2016	626	538	20	10,396	11,580	13	11,593
Net profit for the period				2,244	2,244	1	2,245
Other comprehensive income for the period		(214)	6		(208)	-	(208)
Total comprehensive income for the period		(214)	6	2,244	2,036	1	2,037
Purchase of treasury stock				(1,708)	(1,708)		(1,708)
Sale of treasury stock				54	54		54
Write-down of common stock	(6)			6	-		-
Dividend				(1,061)	(1,061)	-	(1,061)
Stock-based payment				109	109		109
Tax related to equity items				(52)	(52)		(52)
Changes in shareholders' equity	(6)	(214)	6	(408)	(622)	1	(621)
Shareholders' equity at September 30, 2016	620	324	26	9,988	10,958	14	10,972
Shareholders' equity at January 1, 2015	639	431	(10)	10,209	11,269	11	11,280
Net profit for the period				2,131	2,131	1	2,132
Other comprehensive income for the period		28	33		61	1	62
Total comprehensive income for the period	-	28	33	2,131	2,192	2	2,194
Purchase of treasury stock				(1,645)	(1,645)		(1,645)
Sale of treasury stock				98	98		98
Write-down of common stock	(13)			13	-		-
Dividend				(925)	(925)	-	(925)
Stock-based payment				77	77		77
Tax related to equity items				18	18		18
Changes in shareholders' equity	(13)	28	33	(233)	(185)	2	(183)
Shareholders' equity at September 30, 2015	626	459	23	9,976	11,084	13	11,097

4.4 Preliminary opening balance, Organobalance GmbH

(DKK million)

The assumed fair value of acquired assets and liabilities is as follows:

Intangible assets excluding goodwill	217
Property, plant and equipment	2
Inventories	1
Trade and other receivables	7
Deferred tax liabilities	(65)
Financial and other liabilities	(3)

Acquired net assets **159**

Purchase price:

Cash	149
Contingent consideration	31

Total purchase price **180**

Goodwill **21**

On September 15, 2016, Novozymes acquired 100% of the voting shares in Organobalance GmbH. Organobalance GmbH owns a large collection of microbial strains, and has strong capabilities in microbial screening and assay technology. It specializes in developing natural microbial solutions for customers and partners across a number of industries, including food, feed and animal health.

Goodwill of DKK 21 million is attributable to expected synergies with Novozymes' existing microbial technologies and business areas. The goodwill is not tax-deductible. The purchase agreement includes a contingent consideration of up to DKK 31 million. The consideration is contingent on achievement of a number of specific project development and sales targets, and is recognized at the anticipated acquisition-date fair value.

Net revenue and profit contributed to the consolidated income statement by Organobalance GmbH are immaterial for the period. This would also have been the case if the acquisition had been completed on January 1, 2016.

The fair value and allocation of the acquired assets and liabilities are provisional, pending the final valuations.

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
Q2 2016	Amplify Prime® – best-in-class liquid amylase optimized for short wash cycles and in-depth cleaning at low temperatures
Q2 2016	Progress Uno® – a protease for tough conditions that delivers consistent wash performance even in water-rich concentrations, and reduces or eliminates the need for stabilizers as well as increasing the formulation flexibility

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
August 10, 2016	Interim report for the first half of 2016
October 26, 2016	Interim report for the first 9 months of 2016

5.3 Financial calendar

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