

GROUP FINANCIAL STATEMENT FOR 2011

January 19, 2012

Satisfactory 2011 with all financial targets fulfilled. Continued uncertainty in world economy leads to cautious 2012 outlook

Growth in local currencies was 10% (8% DKK, 7% organic) compared to 2010. EBIT increased by 11% and took the EBIT margin to 22.3% despite a negative impact from higher raw material prices, acquisitions, and unfavorable currency rates. Net profit grew by 13%, and free cash flow before acquisitions and divestments came in high, supported especially by the increased net profit. The full-year 2012 expectations reflect uncertainty about the global economy, expressed by relatively wide intervals for sales and earnings growth guidance.

In 2011:

- Sales grew by 8% in DKK and by 10% in LCY vs. 2010, with 3 %-points from acquisitions
- The gross margin was 56.2% (~ 56.5% excl. acquisitions), 0.5 %-points up on 2010
- EBIT was DKK 2,340 million, an increase of 11% compared to 2010
- The EBIT margin was 22.3% (~ 23.3% excl. acquisitions), 0.5 %-points up on 2010
- Net profit was DKK 1,828 million, an increase of 13% compared to 2010
- Net investments excl. acquisitions totaled DKK 1,316 million, vs. DKK 1,326 million for 2010
- Free cash flow before acquisitions was DKK 1,393 million, vs. DKK 998 million for 2010
- ROIC (including goodwill) was 21.3%, against 22.2% for 2010

"I'm delighted to report that we delivered on our full-year growth expectations despite the uncertainty about the global economic situation," says Steen Riisgaard, President & CEO. "The uncertainty is expected to continue in 2012 and, although the characteristics of our products, the many different industries we serve, and the way the business operates have made Novozymes' sales and earnings fairly resilient in previous economic downturns, we currently see scenarios at both the high and low end of the guidance. On the development side, I'm particularly excited that one of our partners in cellulosic ethanol is scheduled to open the world's first commercial-scale production facility in 2012 in Italy. More plants will follow in the years to come, and Novozymes is ready and well positioned to supply the producers with the right enzymatic solutions, regardless of substrate and production technology. To sum up, although 2012 looks to be another uncertain year with respect to the global economy, it's also set to bring some very exciting developments with the focus remaining on innovation, market presence, and operational excellence."

	Realized		2012 outlook	2011 outlook
	2011	2010	January 19*	October 28
Sales, DKKm	10,510	9,724		
Sales growth, DKK	8%	15%	7-11%	~ 8%
Sales growth, LCY	10%	10%	3-7%	10-11%
Sales growth, organic	7%	11%	4-8%	7-8%
EBIT, DKKm	2,340	2,117		
EBIT growth	11%		9-12%	9-11%
EBIT margin	22.3%	21.8%	22-23%	~ 22%
Net profit, DKKm	1,828	1,614		
Net profit growth	13%	-	5-8%	11-13%
Net investments excl. acquisitions, DKKm	1,316	1,326	~ 1,200	1,300-1,400
Free cash flow before acquisitions, DKKm	1,393	998	~ 1,500	~ 1,400
ROIC, including goodwill	21.3%	22.2%	~ 20%	~ 21%
Avg. USD/DKK	536	562	580	531
EPS (diluted), DKK	5.71	5.05		

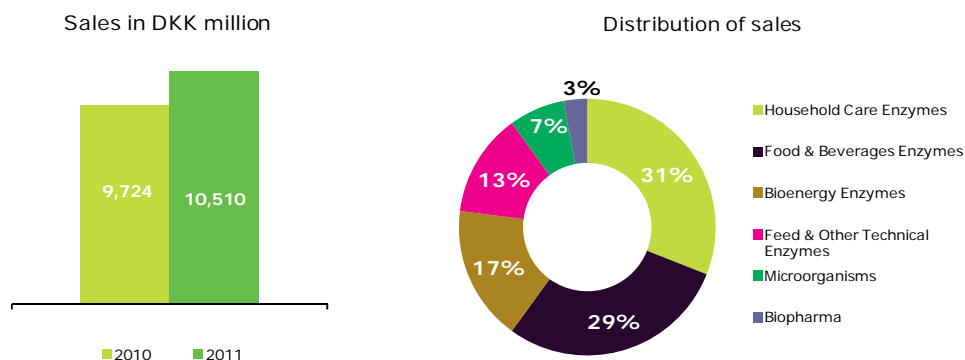
* Assumes exchange rates for the company's key currencies remain at the closing rates on January 18 for the rest of 2012.

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Sales by industry

Total sales up 10% in LCY, 8% in DKK, 7% organically

Total sales in 2011 were DKK 10,510 million, an increase of 8% compared to last year. Exchange rates impacted sales negatively, and sales in LCY were up by 10%. Acquisitions contributed approximately 3 %-points to growth.

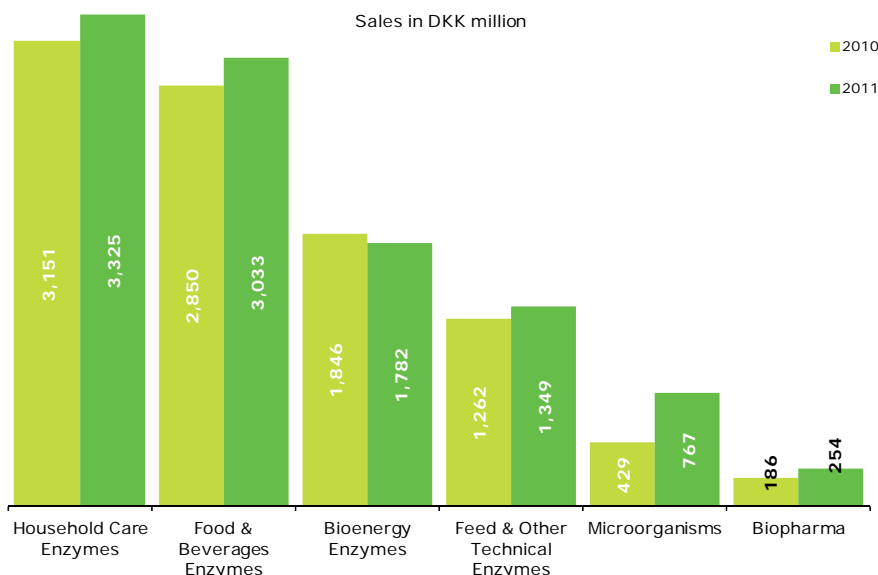


Enzyme Business sales up 6% in LCY

Enzyme Business sales were up by 6% in LCY. Sales in DKK reached 9,489 million, up by 4% compared to 2010. Sales of Household Care Enzymes, Feed & Other Technical Enzymes, and Food & Beverages Enzymes were the largest growth contributors in the period.

BioBusiness sales up 73% in LCY

BioBusiness sales were up by 73% in LCY. Sales in DKK reached 1,021 million, up by 66% compared to 2010. Acquisitions had a positive impact on sales. Organic sales growth was approximately 16% in the period, mainly driven by Biopharma sales.



Household Care Enzymes sales up 6% in LCY

Household Care Enzymes sales increased by 6% in both LCY and DKK compared to 2010. 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 of Household Care Enzymes to emerging markets were also a strong growth driver through the year. Although sales growth improved slightly in the fourth quarter compared to the first 9 months of the year, fourth-

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quarter sales were negatively impacted to some extent by continuing customer caution.

Food &
Beverages
Enzymes sales up
8% in LCY

Food & Beverages Enzymes sales increased by 8% in LCY and by 6% in DKK compared to 2010. Higher demand, particularly from the specialty food, starch, and alcohol industries, was the main driver. Enzyme sales to the baking industry saw a modest, expected decline, whereas newly introduced products and concepts for the production of healthy foods contributed positively to growth throughout the year.

1% LCY growth
in Bioenergy
Enzymes sales

Bioenergy Enzymes sales were up by 1% in LCY and down by 3% in DKK compared to 2010. Growth in US-produced ethanol volumes fell throughout the year – which was also the case for Novozymes' Bioenergy Enzymes sales. Full-year 2011 US ethanol volumes are estimated by the US Energy Information Administration to have reached 13.8–13.9 billion gallons, up by 4–5% compared to 2010. The relatively lower rate of growth in Novozymes' Bioenergy Enzymes sales compared to US ethanol production growth during the year is a result of a slightly lower enzyme content by gallon of ethanol produced across the industry – as ethanol producers have optimized their production – and also of variations in individual producers' ethanol output. Nevertheless, favorable blending economics and exports throughout the year kept US ethanol production growing compared to 2010.

Feed & Other
Technical
Enzymes sales up
9% in LCY

Feed & Other Technical Enzymes sales were up by 9% in LCY and by 7% in DKK compared to 2010. Within the feed area, phytase enzyme sales developed very well in a competitive European phytase enzyme market. In the third quarter, Novozymes launched RONOZYME® HiPhos, an animal feed enzyme currently approved for the Brazilian market with superior phosphate uptake in swine and poultry diets. Approval for this product in North America and Europe is expected in 2012. RONOZYME® ProAct performed very well in the Latin American and European markets, and was also approved for the US market mid-2011. Sales of textile enzymes were challenged during the year due to a contraction in the textile market and a competitive Asian market situation.

47% market
share in
industrial
enzymes

According to Novozymes' own estimates, the **global industrial enzyme market** grew in 2011 to a total market value of approximately DKK 20 billion, up from DKK 19 billion in 2010. The industry did not see any major new entrants to the market in 2011 besides the change of ownership of Danisco, which was acquired by DuPont. Novozymes' overall market share was maintained at roughly 47% and was positively affected by a slight increase in market share in Feed and Food Enzymes and reduced by a slightly lower market share in the US fuel ethanol enzyme market.

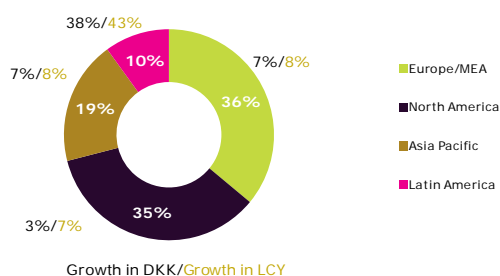
Strong
Microorganisms
sales growth,
mainly from
acquisitions

Microorganisms sales were up by 86% in LCY and by 79% in DKK compared to 2010. Sales growth was positively impacted by the acquisitions of both EMD/Merck Crop BioScience in early February and, to a minor degree, the Brazilian bioagriculture company Turfal in August 2010. Organically, Microorganisms sales grew by approximately 5%. Sales to the Wastewater and Cleaning Solutions industries performed well during the year, whereas the existing BioAg business was negatively affected by unfavorable weather conditions, which caused flooding and variations in crop-planting patterns.

Biopharma sales
up 41% in LCY

Biopharma sales were up by 41% in LCY and by 37% in DKK compared to 2010. The strong sales growth was mainly related to rising sales of Recombum® and partly also to timing, as the biopharma industry is subject to substantial variations in sales patterns, with sales comprising a small number of transactions of relatively high value.

Sales by geographical area



8% LCY growth in Europe, Middle East, and Africa

Sales in Europe, the Middle East, and Africa (Europe/MEA) increased by 8% in LCY and by 7% in DKK compared to 2010. Household Care Enzymes and Feed & Other Technical Enzymes were the main growth contributors in the period, whereas Bioenergy Enzymes sales fell slightly.

North American sales up 7% in LCY

Sales in North America were up by 7% in LCY and by 3% in DKK compared to 2010. Microorganisms sales, positively impacted by acquired BioAg sales, Biopharma sales, and Feed & Other Technical Enzymes sales were the strongest growth contributors during the year.

Sales in Asia Pacific increased by 8% in LCY and by 7% in DKK compared to 2010. Household Care Enzymes, Food & Beverages Enzymes, and Microorganisms sales were the strongest growth contributors in the period.

Strong sales growth in Latin America

Sales in Latin America were up by 43% in LCY and by 38% in DKK compared to 2010. Household Care Enzymes and Feed & Other Technical Enzymes performed very well in the period. Microorganisms sales also grew strongly, mainly due to acquired BioAg sales.

Costs, Other operating income, and EBIT

Total costs increased by 7%

Total costs excluding net financials and tax increased by 7% to DKK 8,220 million compared to 2010. Cost of goods sold and other operating costs increased due to a higher activity level, higher raw material prices, and a negative impact from acquisitions.

Gross profit margin 56.2%

Gross profit increased by 9% compared to 2010, resulting in a gross profit margin of 56.2%, 0.5 %-points higher than in 2010. The negative impact from acquisitions in the BioAg business was approximately 0.3 %-points. Increased sales, productivity improvements, and better capacity utilization in the enzyme plants contributed positively to the underlying increase in the gross margin, whereas increased depreciation and amortization and increased raw material prices impacted negatively compared to 2010.

The gross profit margin for Enzyme Business was 58.7%, an improvement of 0.1 %-point compared to 2010.

The gross profit margin for BioBusiness was 33.3%, against 12.0% for 2010. Excluding acquisitions in the BioAg business, the gross profit margin for BioBusiness was roughly 27% for 2011.

Other operating costs increased by 8% to DKK 3,618 million compared to 2010. The ratio of other operating costs to sales was 34.4%, compared to 34.6% in 2010.

- Sales and distribution costs, including business development, increased by 11%, representing 13% of sales

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R&D represents
14% of sales

- R&D costs increased by 8%, representing 14% of sales
- Administrative costs were up by 2%, representing 7% of sales

Other operating income fell by DKK 19 million to DKK 50 million in 2011 and was mainly related to milestone payments in BioBusiness and the US Department of Energy-sponsored grant related to work on cellulosic ethanol in the US.

Depreciation and amortization rose to DKK 786 million, an increase of DKK 107 million, or 16%, compared to 2010. The higher level of depreciation and amortization was mainly due to the higher investment level over the past years, including the acquisition of EMD/Merck Crop BioScience in February 2011.

EBIT up by 11%;
EBIT margin
22.3%

EBIT increased by 11% to DKK 2,340 million, and the **EBIT margin** was 22.3%, against 21.8% in 2010. Excluding acquisitions, the EBIT margin was roughly 23.3%. Currencies, especially the DKK/USD exchange rate, also impacted the EBIT margin negatively in 2011 compared to last year.

Net financials and Net profit

Net financial
income DKK 75
million

Net financial income was DKK 75 million in 2011, compared to DKK 6 million in 2010. Net currency hedging/revaluation gains were DKK 190 million, DKK 122 million higher than in 2010. Net interest expenses were DKK 76 million, DKK 53 million higher than in 2010, whereas other financial expenses were DKK 39 million, on par with 2010.

Profit before tax increased by 14% to DKK 2,415 million from DKK 2,123 million in 2010.

Effective tax rate
24.3%

The effective tax rate in 2011 was 24.3%, against 24.0% in 2010.

13% net profit
growth

Net profit increased by 13% to DKK 1,828 million from DKK 1,614 million in 2010. The strong growth in net profit was the result of higher EBIT and improved net financials.

Cash flow and Balance sheet

Operating cash
flow DKK 2,709
million

Cash flow from operating activities increased by 17% to DKK 2,709 million, compared to DKK 2,324 million in 2010. The positive development was primarily due to higher net profit and lower corporation tax paid, which was offset by increased working capital compared to 2010.

Net investments
excl. acq. DKK
1,316 million

Net investments excluding acquisitions totaled DKK 1,316 million, against DKK 1,326 million in 2010.

Free cash flow
before acq.
DKK 1,393
million

Free cash flow before acquisitions came to DKK 1,393 million in 2011, against DKK 998 million in 2010. The increase was the result of higher operating cash flow.

Net acquisitions amounted to DKK 1,426 million in 2011, relating to the acquisition of the US company EMD/Merck Crop BioScience on February 7 and the divestment of Novozymes Biopharma's Lund operation on December 20.

Equity ratio 64%

Shareholders' equity was DKK 8,824 million at December 31, 2011, up from DKK 7,836 million at year-end 2010. Shareholders' equity was increased by comprehensive income and decreased by dividend payments. Shareholders' equity represented 64% of the balance sheet total, compared to 62% at year-end 2010.

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At the end of 2011, net interest-bearing debt was DKK 1,019 million, against DKK 346 million at year-end 2010.

Net debt-to-equity was 12% at December 31, 2011, following the acquisition of EMD/Merck Crop BioScience, against 4% at year-end 2010.

ROIC 21.3%

Return on invested capital (ROIC), including goodwill, was 21.3%, compared to 22.2% at the end of 2010. The lower ROIC is due to the acquisition of EMD/Merck Crop BioScience.

At December 31, 2011, the holding of treasury stock was 9,915 million B shares, equivalent to 3.1% of the total number of shares issued. During 2011, Novozymes bought back 2,455 million shares – worth approximately DKK 400 million – within the expected DKK 400 million full-year stock buyback program to cover stock-based incentive programs for employees. The buyback program was completed on November 11, 2011.

Corporate social responsibility

Compared to 2010, water, energy, and CO₂ efficiency, as well as CO₂ emission reductions from customers' application of our products all improved, and all targets for 2011 were met except for water efficiency, which fell only slightly short of its target. All social targets were also reached.

		2011	2010	2011 Target
Improved water, energy, and CO ₂ efficiency compared to 2010	Water efficiency (compared to 2005 index)	30%	29%	31%
	Energy efficiency (compared to 2005 index)	34%	30%	32%
	CO ₂ efficiency (compared to 2005 index)	47%	38%	41%
	CO ₂ emission reductions (million tons) from customers' application of our products	45	40	45
	Significant spills	-	-	-
	Fatalities	-	-	-
	Frequency of occupational accidents per million working hours	4.3	4.1	< 4.5
5,824 employees	Number of employees on December 31	5,824	5,432	
	Rate of employee turnover	8.3%	7.5%	> 4% – < 9%
	Rate of absence	1.9%	2.1%	< 3%

Accounting policies

IAS 34

The Group financial statement for 2011 has been prepared in accordance with IAS 34 and the additional Danish regulations for the presentation of quarterly financial statements by listed companies. The Group financial statement for 2011 follows the same accounting policies as the Group financial statement for 2010.

2012 outlook

4–8% organic growth,
3–7% LCY growth,
7–11% DKK growth

The full-year 2012 guidance reflects the uncertainty about the global economy. It is difficult to predict at what pace global demand might deteriorate in the event of further negative economic sentiment or signals. Although Novozymes has proven relatively resilient in recessionary economies (last shown in 2009) thanks to the characteristics of some of the markets our products and technologies serve and the advantages they offer, our sales are also partly dependent on consumption and GDP growth. The full-year organic sales growth guidance of 4–8% addresses the current level of uncertainty.

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Adjusting the 2012 sales growth expectation for the roughly 1 %-point negative impact of divestments and acquisitions during 2011, the full-year LCY sales growth expectation is 3–7%. Based on exchange rates at January 18, 2012, sales growth in DKK is expected at 7–11%.

Within Enzyme Business, Household Care Enzymes are expected to be the strongest contributor to full-year sales growth. Feed Enzymes, included in the Feed & Other Technical Enzymes area, are also expected to be a relatively strong contributor to full-year sales growth. The full-year sales outlook is based on the expectation that the US biofuel industry will produce roughly 14.2 billion gallons of ethanol in 2012, up by 2–3% compared to 2011. Full-year Bioenergy Enzymes sales should also benefit from the introduction of new and more efficient products and should be able to outpace the underlying growth in ethanol volumes.

BioBusiness sales are expected to grow in double digits organically, with positive contributions from Microorganisms and Biopharma. Novozymes BioAg sales are weather sensitive, as seen in the 2011 US Midwest flooding and late planting season, which impacted Novozymes' BioAg sales negatively, but should be able to deliver healthy growth under normal weather conditions. The other Microorganisms industries should also develop well. The divestment of Novozymes Biopharma's operation in Lund, Sweden, will have a negative sales impact of roughly DKK 90 million in 2012, which will impact both LCY and DKK sales growth negatively. This has been included in the guidance.

EBIT growth 9–12%	EBIT growth is expected at 9–12%. Compared to 2011, there are positive effects from the absence of the IFRS adjustment of acquired inventories at EMD/Merck Crop BioScience, slightly more beneficial currency exchange rates, the divestment of Novozymes Biopharma's slightly loss-making operation in Lund, and continued productivity improvements. Pulling the other way are higher raw material prices, full staffing costs and low capacity utilization at the HA facility in China, and higher staffing costs at the new enzyme facility in Nebraska, USA, together with continued investments in R&D and business-building activities to support our long-term growth ambition. The projects within the additional DKK 150 million investment in R&D and business-building activities described in the full-year 2010 announcement were all initiated in 2011 and have full-year effect in 2012.
EBIT margin 22–23%	As a result of the above, the 2012 expectation for the EBIT margin is 22–23%.
Net profit growth 5–8%	Net profit is expected to grow by 5–8%. USD exposure for 2011 was hedged at 5.85 DKK/USD. USD exposure for 2012 has been hedged at 5.70 DKK/USD, and 75% of expected 2013 DKK/USD exposure has been hedged at 5.60.
Investments DKK ~ 1.2 billion	As expected previously, the relative investment level should start to decline. For 2012, we expect around DKK 1.2 billion in investments. Besides maintenance CAPEX, the main part of the investments relates to the finalization of the Nebraska enzyme facility. Part of the expected investments in the Nebraska enzyme facility that were planned to take place in 2011 has been included in the expected CAPEX figure for 2012.
FCF before acq. DKK ~ 1.5 billion	Free cash flow before acquisitions is expected at around DKK 1.5 billion, mainly as a result of higher net profit and the lower CAPEX.
ROIC ~ 20%	Return on invested capital is expected at around 20%, slightly lower than in 2011 due to the acquisition of EMD/Merck Crop BioScience in 2011 having its full impact in 2012.

The outlook is based on exchange rates for the company's key currencies remaining at the closing rates on January 18, 2012, for the full year.

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(DKK)	EUR	USD	JPY	CNY
Average exchange rate 2010	745	562	6.42	83.08
Average exchange rate 2011	745	536	6.73	82.94
Closing rate January 18, 2012	744	580	7.55	91.82
Estimated average exchange rate 2012	744	580	7.55	91.82
Change in estimated exchange rate 2012 compared to average exchange rate 2011	0%	8%	12%	11%

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

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

- Enable a 47 million ton reduction in CO₂ emissions through our customers' application of our products
- Improve energy efficiency by 38% compared to 2005
- Improve CO₂ efficiency by at least 50% compared to 2005
- Improve water efficiency by 33% compared to 2005

6–8 new products

6–8 new products are expected to be launched in 2012.

Strategic update

Overall, there are no changes to the strategic direction outlined in 2009 and further described in the full-year 2010 announcement. Novozymes continues to focus on sustainable growth through innovation, market presence, and operational excellence.

Innovation

Novozymes' main competitive advantage is related to our innovation efforts. Since 2000, Novozymes has invested more than DKK 10 billion in R&D and has launched roughly 100 new products. The aim with our innovation capabilities is to continue to explore the opportunities our technology holds, not only bringing new and sustainable market-expanding products and solutions to the market, but also improving the existing product portfolio. Our broad and diversified market approach is built around the same technology platform. This allows us to leverage competencies and innovation skills across industries and geographies, and we expect to continue to invest roughly 14% of sales in R&D, resulting in not only more innovative products, but also improved productivity in Novozymes' own facilities.

Regarding Novozymes' innovation efforts in the area of converting cellulose to fermentable sugars, we continue to see exciting developments. In last year's strategic update, we believed the first large-scale commercial cellulosic ethanol plants would be up and running by 2012/2013. This has now been confirmed, as our partners are building plants around the world, with the first one ready in 2012 in Italy. These first plants will give the proof of concept that could accelerate the building of further plants, allowing the world to meet the increasing demand for more sustainable liquid fuels. We are also seeing other exciting developments when it comes to our solutions being used to enable cost-efficient conversion of starch and cellulose to sugars, and further developing these sugars into bio-based chemical compounds. Novozymes already has collaborations in place in this area, but would expect more to come as industrial players search for alternatives to today's petrochemical-derived solutions. Novozymes will enable even more cost-efficient conversion of cellulose to sugars in 2012 with the launch of the next generation of our Cellic® CTec product range.

Market presence

Novozymes is focusing not only on our innovative efforts, but also on building a strong market presence across industries and geographies. Although Novozymes already has a strong global presence, part of the additional DKK 150 million investment in R&D and business-building activities disclosed in the full-year 2010 announcement was directed toward building an even stronger presence, especially in emerging markets. One example is the acquisition of EMD/Merck Crop BioScience early in 2011, where we built a stronger position in the exciting BioAg industry. The bulk of our activities in the BioAg industry are currently related to pulse crops in North and Latin America, but we aim to expand into other crops and other parts of the world. To enable this, we need a presence in the markets where we want to expand, and we need to build relationships with customers to understand and develop the right technologies for their specific needs.

Operational excellence

Operational excellence covers every aspect of Novozymes' operations. Our ability to make continuous productivity improvements allows us to improve profitability and returns, as we can delay investments in new capacity. This is a unique and key feature of Novozymes' operations and is expected to continue, but it requires investments in R&D for this purpose. Operational excellence also incorporates systems, structures, and processes. Our organization around R&D and sales structures allows us to be present and understand local needs and requirements, while at the same time leveraging our global knowledge base. Our global financial systems enable swift and stringent reporting, which reduces the risk of errors, and the establishment of centralized financial hubs provides efficient support for a growing company.

By continuously focusing on innovation, market presence, and operational excellence, Novozymes is able to increase returns to shareholders. In 2011, Novozymes not only improved sales and profitability, but was also able to communicate an increased dividend payout ratio (from ~ 30% to ~ 35% over the next 2–3 years) and the initiation of a new share buyback program (DKK 2 billion over the next 2 years).

Investments

Novozymes has invested relatively heavily in recent years. We have built for future growth in both Enzyme Business and BioBusiness. Higher realized growth levels and the long-term expectation of annual sales growth of more than 10% communicated in 2009 required more enzyme production capacity, and the decision to become a strong player in the area of hyaluronic acid required a dedicated cGMP production facility. As these relatively large investment programs come to an end in 2012 with the finalization of the new enzyme production facility in the US, we expect an investment level of not more than 8% relative to sales to be sufficient going forward to cater for annual sales growth of around 10%.

Acquisitions

Part of Novozymes' strategy is to acquire companies and technologies where we see a strategic fit in terms of either technology or market access. We continuously optimize our product and technology portfolio to make sure we have the right set of tools and offerings. In 2011, we acquired EMD/Merck Crop BioScience to position and develop Novozymes as a strong player in the exciting BioAg arena. We also divested part of our Biopharma operations as we no longer saw a need for the capacity and technology at the facility in Lund, Sweden. We will continue to explore exciting technology and market access acquisitions in 2012 and beyond, and our strong balance sheet puts us in a position to act should we find anything suitable, no matter the health of the financial markets.

Long-term expectations

For a decade, Novozymes has focused on delivering strong and solid growth in sales and earnings. This focus remains sharp, and the long-term financial and sustainability targets established in 2009 are intact, with the addition of one more sustainability target.

Financial targets:

- Organic sales growth of more than 10% p.a.
(excluding sales of enzymes for cellulosic ethanol)
- EBIT margin of more than 20%
- Return on invested capital of more than 22%

Sustainability targets:

- Enable a 75 million ton reduction in CO₂ emissions in 2015 through our customers' application of our products
- Improve energy efficiency by 50% in 2015 compared to 2005
- Improve CO₂ efficiency by 50% in 2015 compared to 2005
- Increase energy supply from renewable and CO₂-neutral sources to 50% in 2020
- Improve water efficiency by 40% in 2015 compared to 2005
- Be recognized as a global leader in sustainability
- Be a preferred employer globally
- Live our values Touch the World throughout the organization [new in 2012]

Dividend

At the Annual Shareholders' Meeting on February 29, 2011, the Board of Directors will propose a dividend payment of DKK 1.90 per share for the 2011 financial year, an increase of 19% compared to 2010. The payout ratio for 2011 is 32.8%, compared to 31.2% for 2010.

Forward-looking statements

This company announcement contains forward-looking statements, including the financial outlook for 2012. Forward-looking statements are, by their very nature, associated with risks and uncertainties that may cause actual results to differ materially from expectations. The uncertainties may include unexpected developments in the international currency exchange and securities markets, market-driven price decreases for Novozymes' products, and the launch of competing products in Novozymes' core areas.

Contact persons:

Press and media:

René Tronborg (Europe)
Tel. (mobile): +45 3077 2274

Paige Donnelly (USA)
Tel. (mobile): +1 919 218 4501

Investor Relations:

Martin Riise (DK)
Tel. (mobile): +45 3077 0738

Thomas Bomhoff (USA)
Tel. (US mobile): +1 919 649 2565
Tel. (DK mobile): +45 3077 1226

Statement of the Board of Directors and Executive Management

The Board of Directors and Executive Management have considered and approved the unaudited Group financial statement for Novozymes A/S for 2011.

The Group financial statement has been prepared in accordance with International Financial Reporting Standards (as adopted by the EU) and additional Danish regulations for the presentation of Group financial statements by listed companies.

In our opinion the accounting policies used are appropriate, the Group's internal controls relevant to preparation and presentation of a Group financial statement are adequate, and the Group financial statement gives a true and fair view of the Group's assets, liabilities, net profit, and financial position at December 31, 2011, and of the results of the Group's operations and cash flow for 2011.

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, January 19, 2012

Executive Management:

Steen Riisgaard
President and CEO

Benny D. Loft

Per Falholt

Peder Holk Nielsen

Thomas Nagy

Thomas Videbæk

Board of Directors:

Henrik Gürtler
Chairman

Kurt Anker Nielsen
Vice-Chairman

Paul Petter Aas

Søren Jepsen

Lars Bo Køppler

Ulla Morin

Lena Olving

Agnete Raaschou-Nielsen

Jørgen Buhl Rasmussen

Mathias Uhlén

Appendices

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Appendix 1: Main items and key figures

1.1 Full year 2011

(DKK million)	2011	2010	% change	2011 Q4	2010 Q4	% change
Revenue	10,510	9,724	8%	2,589	2,404	8%
Gross profit	5,908	5,412	9%	1,439	1,315	9%
Gross margin	56.2%	55.7%		55.6%	54.7%	
EBITDA	3,126	2,796	12%	707	609	16%
EBITDA margin	29.7%	28.8%		27.3%	25.3%	
EBIT (operating profit)	2,340	2,117	11%	496	417	19%
EBIT margin	22.3%	21.8%		19.2%	17.3%	
Net financials	75	6		(1)	36	
Profit before tax	2,415	2,123	14%	495	453	9%
Corporation tax	(587)	(509)	15%	(132)	(103)	28%
Net profit	1,828	1,614	13%	363	350	4%
Attributable to:						
Shareholders in the parent company	1,826	1,613	13%	362	350	3%
Equity minority interests	2	1		1	-	
Foreign exchange gain/(loss), net, etc.	190	68		50	38	
Interest income/(costs)	(76)	(23)		(36)	12	
Other financial items	(39)	(39)		(15)	(14)	
Total financial income/(costs)	75	6	1150%	(1)	36	103%
Earnings per DKK 2 share	5.79	5.15	12%	1.15	1.11	3%
Average no. of A/B shares outstanding (million)	315.2	313.2		314.9	314.4	
Earnings per DKK 2 share (diluted)	5.71	5.05	13%	1.13	1.09	3%
Average no. of A/B shares, diluted (million)	320.0	319.4		319.8	320.5	
Free cash flow before acquisitions	1,393	998	40%			
Return on invested capital after tax (ROIC), incl. goodwill	21.3%	22.2%				
Net interest-bearing debt	1,019	346	195%			
Equity ratio	63.7%	62.2%				
Return on equity	21.9%	23.6%				
Debt-to-equity ratio	11.5%	4.4%				

Group financial statement for 2011

1.2 Five-year overview 2007–2011

(DKK million)	2011	2010	Full year 2009	2008	2007
Revenue	10,510	9,724	8,448	8,146	7,438
- Enzymes	9,489	9,109	7,798	7,533	6,893
- BioBusiness	1,021	615	650	613	545
Gross profit	5,908	5,412	4,700	4,359	3,949
Gross margin	56.2%	55.7%	55.6%	53.5%	53.1%
- Enzyme Business gross profit	5,568	5,338	4,476	4,233	3,818
- Enzyme Business gross margin	58.7%	58.6%	57.4%	56.2%	55.4%
- BioBusiness gross profit	340	74	224	126	131
- BioBusiness gross margin	33.3%	12.0%	34.5%	20.6%	24.0%
Operating profit (EBIT)	2,340	2,117	1,688	1,504	1,481
Operating profit margin	22.3%	21.8%	20.0%	18.5%	19.9%
Net financials	75	6	(67)	(85)	(96)
Profit before tax	2,415	2,123	1,621	1,419	1,385
Corporation tax	(587)	(509)	(427)	(357)	(343)
Net profit	1,828	1,614	1,194	1,062	1,042
Minority interests	2	1	-	-	6
Net profit including minority interests	1,826	1,613	1,194	1,062	1,048
Foreign exchange gain/(loss), net	190	68	56	(34)	5
Interest income/(costs)	(76)	(23)	(140)	(106)	(78)
Other financial items	(39)	(39)	17	55	(23)
Total financial income/(costs)	75	6	(67)	(85)	(96)
Return on invested capital after tax (ROIC) incl. goodwill	21.3%	22.2%	20.3%	19.5%	21.7%
Earnings per DKK 2 share	5.79	5.15	3.85	3.43	3.39
Average no. of A/B shares outstanding (million)	315.2	313.2	310.3	309.3	309.6
Earnings per DKK 2 share (diluted)	5.71	5.05	3.79	3.37	3.29
Average no. of A/B shares, diluted (million)	320.0	319.4	315.4	315.0	318.1
Net interest-bearing debt	1,019	346	949	1,380	1,769
Equity ratio	63.7%	62.2%	53.6%	45.1%	41.3%
Return on equity	21.9%	23.6%	23.1%	26.1%	29.5%

Group financial statement for 2011

1.3 Income statement

(DKK million)	2011	2010	% change Y/Y
Revenue	10,510	9,724	8
Cost of goods sold	(4,602)	(4,312)	7
Gross profit	5,908	5,412	9
Sales and distribution costs	(1,376)	(1,242)	11
Research and development costs	(1,464)	(1,360)	8
Administrative costs	(778)	(762)	2
Other operating income, net	50	69	(28)
Operating profit (EBIT)	2,340	2,117	11
Financial income	208	113	84
Financial costs	(133)	(107)	24
Profit before tax	2,415	2,123	14
Corporation tax	(587)	(509)	15
Net profit	1,828	1,614	13
Attributable to:			
Shareholders in the parent company	1,826	1,613	
Minority interests	2	1	

1.4 Statement of comprehensive income

(DKK million)	2011	2010
Net profit	1,828	1,614
Other comprehensive income		
Currency translation of subsidiaries and minority interests	116	465
Tax related to hedges of net investments in foreign subsidiaries	(6)	(23)
Cash flow hedges	(58)	(39)
- transferred to Financial income/costs	(130)	(28)
Tax related to cash flow hedges	6	13
Other comprehensive income, net of tax	(72)	388
Comprehensive income, total	1,756	2,002
Attributable to:		
Shareholders in the parent company	1,753	2,000
Minority interests	3	2

Group financial statement for 2011

1.5 Segment information

(DKK million)	2011				2010				% change
	Enzyme Business	BioBusiness	Corporate	Total	Enzyme Business	BioBusiness	Corporate	Total	
Revenue	9,489	1,021		10,510	9,109	615		9,724	8%
Cost of goods sold	3,921	681		4,602	3,771	541		4,312	7%
Gross profit	5,568	340		5,908	5,338	74		5,412	9%
Gross margin	58.7%	33.3%		56.2%	58.6%	12.0%		55.7%	
Sales and distribution costs			1,376	1,376			1,242	1,242	11%
Research and development costs			1,464	1,464			1,360	1,360	8%
Administrative costs			778	778			762	762	2%
Other operating income, net			50	50			69	69	(28)%
Operating profit				2,340				2,117	11%
Capital expenditure									
Intangible assets	29	2	3	34	3	33	-	36	
Property, plant and equipment	962	210	118	1,290	950	264	126	1,340	
Capital expenditure, total	991	212	121	1,324	953	297	126	1,376	

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

Cost of goods sold is allocated directly. The functions for Sales and distribution, Research and development, and Administrative are considered as working for both segments and their costs are therefore allocated to the Corporate function. Revenue between the individual segments is deducted from the revenue of the selling company and amounts to DKK 16 million in 2011 (DKK 16 million in 2010).

Group financial statement for 2011

Appendix 2: Distribution of revenue

2.1 By industry (full year 2011)

(DKK million)	2011 12M	2010 12M	% change	% currency impact	% change in local currency
Enzymes	9,489	9,109	4	(2)	6
Household Care Enzymes	3,325	3,151	6	-	6
Food & Beverages Enzymes	3,033	2,850	6	(2)	8
Bioenergy Enzymes	1,782	1,846	(3)	(4)	1
Feed & Other Technical Enzymes	1,349	1,262	7	(2)	9
BioBusiness	1,021	615	66	(7)	73
Microorganisms	767	429	79	(7)	86
Biopharma	254	186	37	(4)	41
Sales	10,510	9,724	8	(2)	10

2.2 By industry (Q4)

(DKK million)	2011 Q4	2010 Q4	% change	% currency impact	% change in local currency
Enzymes	2,407	2,263	6	-	6
Household Care Enzymes	833	780	7	-	7
Food & Beverages Enzymes	768	682	13	1	12
Bioenergy Enzymes	457	495	(8)	-	(8)
Feed & Other Technical Enzymes	349	306	14	-	14
BioBusiness	182	141	29	(1)	30
Microorganisms	126	62	103	(2)	105
Biopharma	56	79	(29)	-	(29)
Sales	2,589	2,404	8	-	8

2.3 Quarterly revenue overview by industry

(DKK million)	Q4	2011 Q3	Q2	Q1	Q4	2010 Q3	Q2	Q1	% change Q4/Q4
Enzymes	2,407	2,421	2,273	2,388	2,263	2,421	2,271	2,154	6
Household Care Enzymes	833	871	791	830	780	872	765	734	7
Food & Beverages Enzymes	768	770	736	759	682	768	731	669	13
Bioenergy Enzymes	457	431	437	457	495	469	459	423	(8)
Feed & Other Technical Enzymes	349	349	309	342	306	312	316	328	14
BioBusiness	182	271	264	304	141	105	198	171	29
Microorganisms	126	124	240	277	62	80	145	142	103
Biopharma	56	147	24	27	79	25	53	29	(29)
Sales	2,589	2,692	2,537	2,692	2,404	2,526	2,469	2,325	8

2.4 By geographical area (full year 2011)

(DKK million)	2011 12M	2010 12M	% change	% currency impact	% change in local currency
Europe, Middle East & Africa	3,819	3,564	7	(1)	8
North America	3,691	3,580	3	(4)	7
Asia Pacific	1,958	1,827	7	(1)	8
Latin America	1,042	753	38	(5)	43
Sales	10,510	9,724	8	(2)	10

Group financial statement for 2011

2.5 Quarterly revenue overview by geographical area

(DKK million)		2011				2010			% change
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4/Q4
Europe, Middle East & Africa	959	997	921	942	887	928	882	867	8
North America	824	922	928	1,017	878	916	936	850	(6)
Asia Pacific	487	496	464	511	446	468	474	439	9
Latin America	319	277	224	222	193	214	177	169	65
Sales	2,589	2,692	2,537	2,692	2,404	2,526	2,469	2,325	8

Appendix 3: Statement of cash flows

(DKK million)	2011	2010
Net profit	1,828	1,614
Reversals of non-cash items	1,649	1,340
Corporation tax paid	(518)	(609)
Interest received	16	24
Interest paid	(72)	(87)
Cash flow before change in working capital	2,903	2,282
Change in working capital		
(Increase)/decrease in receivables	(34)	(239)
(Increase)/decrease in inventories	(62)	(13)
Increase/(decrease) in trade payables and other liabilities	(88)	267
Increase/(decrease) in exchange gain/loss	(10)	27
Cash flow from operating activities	2,709	2,324
Investments		
Purchase of intangible assets	(34)	(3)
Sale of property, plant and equipment	8	3
Purchase of property, plant and equipment	(1,290)	(1,326)
Cash flow from investing activities before acquisitions	(1,316)	(1,326)
Free cash flow before acquisitions	1,393	998
Acquisition of activities and companies	(1,426)	(23)
Free cash flow after acquisitions	(33)	975

Group financial statement for 2011

Appendix 4: Balance sheet and Statement of shareholders' equity

4.1 Balance sheet

Assets (DKK million, end of period)	2011 Q4	2010 Q4
Completed IT development projects	23	33
Acquired patents, licenses, and know-how	1,318	513
Goodwill	835	513
IT development projects in progress	45	11
Intangible assets	2,221	1,070
Land and buildings	2,247	2,053
Plant and machinery	2,403	1,729
Other equipment	408	384
Property, plant and equipment under construction	1,499	1,700
Property, plant and equipment	6,557	5,866
Deferred tax assets	275	71
Other financial assets (non-interest-bearing)	0	50
Total non-current assets	9,053	7,057
Raw materials and consumables	268	216
Goods in progress	361	402
Finished goods	1,112	1,022
Inventories	1,741	1,640
Trade receivables	1,971	1,772
Tax receivables	167	232
Other receivables	195	249
Receivables	2,333	2,253
Other financial assets (non-interest-bearing)	48	178
Total other financial assets	48	178
Cash at bank and in hand	667	1,465
Total current assets	4,789	5,536
Total assets	13,842	12,593

Liabilities and shareholders' equity (DKK million, end of period)	2011 Q4	2010 Q4
Common stock	650	650
Treasury stock	(1,714)	(1,479)
Other comprehensive income	465	540
Retained earnings	9,408	8,113
Minority interests	15	12
Total shareholders' equity	8,824	7,836
Deferred tax liabilities	905	493
Long-term employee benefits	12	13
Non-current provisions	140	169
Non-current financial liabilities (interest-bearing)	1,534	1,542
Non-current financial liabilities (non-interest-bearing)	70	32
Total non-current liabilities	2,661	2,249
Financial liabilities (interest-bearing)	152	269
Financial liabilities (non-interest-bearing)	106	22
Provisions	98	50
Trade payables	745	764
Tax payables	37	86
Other current liabilities	1,219	1,317
Total current liabilities	2,357	2,508
Total liabilities	5,018	4,757
Total liabilities and shareholders' equity	13,842	12,593

4.2 Statement of shareholders' equity

(DKK million)	2011 Q4	2010 Q4
Shareholders' equity excl. minority interests – beginning of period	7,824	5,831
Dividend paid	(504)	(359)
Purchase of treasury stock	(400)	-
Sale of treasury stock	165	145
Stock-based payment	83	60
Tax related to equity items	(112)	147
Comprehensive income	1,753	2,000
Shareholders' equity excl. minority interests	8,809	7,824
Minority interests – beginning of period	12	10
Comprehensive income	3	2
Minority interests – end of period	15	12
Total equity – end of period	8,824	7,836

Group financial statement for 2011

Appendix 5: Product launches in 2011

Q2 2011	Blaze® E vity®: An enzyme with the E vity stabilization platform for the automatic dishwashing segment. Blaze E vity addresses all types of protein soils and provides consistent performance even after harsh storage conditions.
Q2 2011	Stainzyme® Plus E vity®: An enzyme with the E vity stabilization platform for the automatic dishwashing segment. Stainzyme Plus E vity addresses starch-based soils and provides consistent performance even after harsh storage conditions.
Q2 2011	Provia®: An enzyme that improves fermentation performance in starch-based ethanol. Provias breaks down protein present in corn, which improves yeast health and leads to higher ethanol yields.
Q3 2011	RONOZYME® HiPhos: An improved phytase enzyme which increases the release of phosphorus in animal feed.
Q4 2011	Hyas is®: A high-quality <i>Bacillus</i> -derived hyaluronic acid with superior safety, consistency, and performance for the use in medical device and pharmaceutical applications.
Q4 2011	Terminox® Supreme: An improved and more stable catalase for bleach cleanup in the textile industry.

Appendix 6: Company announcements for 2011

Excluding management's trading in Novozymes shares and share buyback status

January 21, 2011	Group financial statement for 2010
February 7, 2011	Acquisition of EMD/Merck Crop Bioscience completed
February 10, 2011	Initiation of share buyback program
March 2, 2011	New share-based incentive program for Executive Management
March 2, 2011	Annual Shareholders' Meeting 2011
March 23, 2011	Novozymes restructures the areas in enzyme sales reporting
April 29, 2011	Group financial statement for Q1 2011
August 11, 2011	Group financial statement for 1H 2011
October 28, 2011	Group financial statement 9M 2011

Appendix 7: Financial calendar 2012–2013

January 19, 2012	Group financial statement for 2011
February 29, 2012	Annual Shareholders' Meeting 2012
April 25, 2012	Group financial statement for Q1 2012
August 16, 2012	Group financial statement for 1H 2012
October 25, 2012	Group financial statement for 9M 2012
January 21, 2013	Group financial statement for 2012